



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to slightly weak during the week and are expected to trade steady to weak in the near term due to new crop arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 20 per quintal to Rs. 1540 per quintal while starch feed makers quoted it down by Rs. 40 per quintal to Rs. 1560 per quintal compared to last week.

Overall maize crop conditions are favorable now. No loss reported till date. Agriwatch preliminary estimates maize Rabi production at around 6.24 MMT for 2016/17.

RECOMMENDATION:

Weekly Call - : Market participants are advised to wait for maize trade as there is no trade volume in the future market. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1440-1500 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.69 USD/MT to 143.10 USD/MT for March contract compared to last week. However, it is likely to trade firm due to fresh export demand.

At 1.58 MMT (for the period 3rd March –9th March, 2017) U.S corn exports were up 9 percent from the previous week and 17 percent from the prior 4-week average.

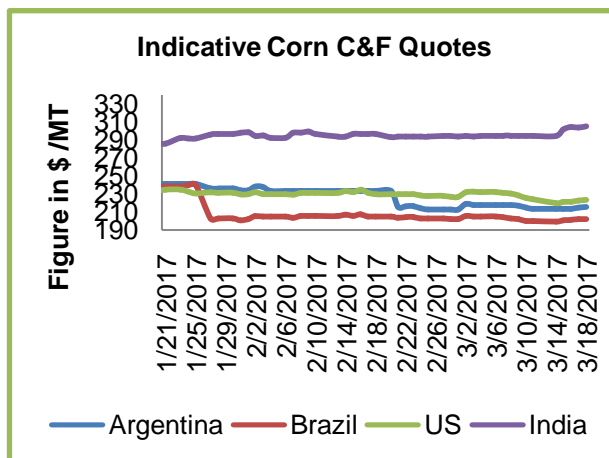
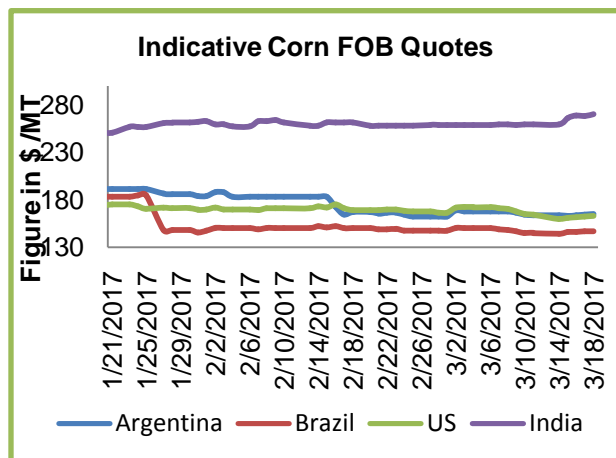
Preliminary Japanese government data shows that Japan's use of corn in animal feed production fell by 0.2 % to 46.1% in the January'17 compared to same month last year.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gained 2.29% during the week ended March 11, 2017 compared to previous week. The base for the Index and all sub-Indices is 2014 (= 100). Detailed charts and index computation methodology can be viewed on the ET website and on Agriwatch.com.

EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 65.47)				
As on 18.03.2017	Argentina	Brazil	US	India
FOB	165.35	147.09	163.19	270.35
Cost and Freight (C&F)	215.35	202.09	223.19	305.35

As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries is wide.

- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

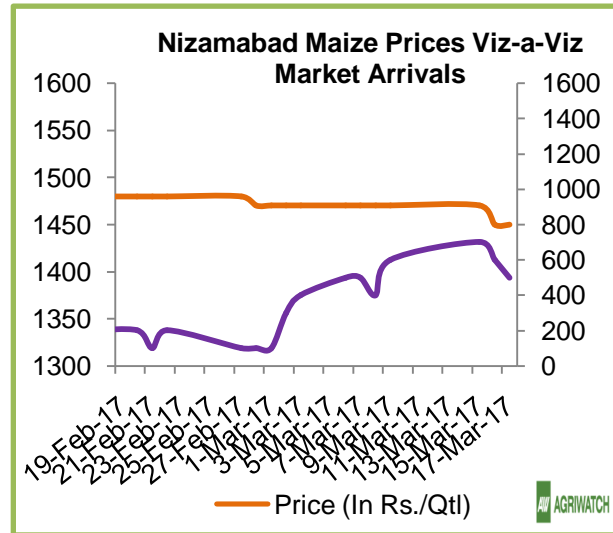
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Namakkal	16700 (Maharashtra Origin)	N.A

CURRENT MARKET DYNAMICS:

During the week under review, steady to slightly weak sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

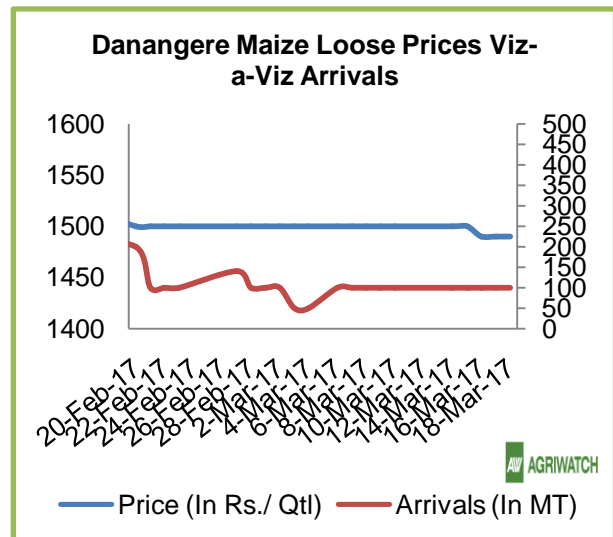
ANDHRA PRADESH:

- In Nizamabad, maize is likely to trade steady in the near term till the huge quantity of new crop arrived into the market. Some quantity of new crop of maize with 16% moisture content, traded at Rs.1400 per quintal (loose price).



KARNATAKA:

- It is likely to trade steady in the near term. Arrival pressure from Maharashtra limit the demand of Tamil Nadu' feed makers.



DOMESTIC MAIZE OUTLOOK:

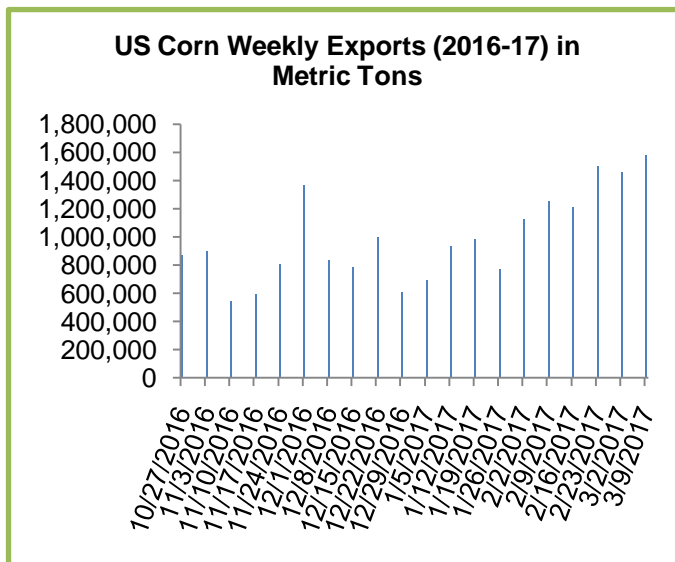
Maize cash market is likely to trade steady to slightly weak in the near term.

INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 27.79 MMT in the 2016-17 marketing year. At 1.58 MMT (for the period 3rd March –9th March, 2017) exports were up 9 percent from the previous week and 17 percent from the prior 4-week average. The primary destinations were Japan (485,200 MT), Colombia (267,000 MT), Mexico (231,100 MT), Taiwan (132,300 MT), and South Korea (132,200 MT).
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production fell by 0.2 % to 46.1% in the January'17 compared to same month last year as users' reliance on alternatives such as wheat and barley increased.
- MFIG, maize industry procurement association of Taiwan, purchased about 65,000 MT of corn likely to be sourced from the United States at a premium of 119.11 U.S. cents c&f over the Chicago July corn contract. Shipment could be around April 18 to May 7 if sourced from the U.S. Gulf, Brazil or Argentina or it could be around May 3-22 if sourced from the U.S. Pacific North West coast or South Africa.
- Due to tight supplies of high-quality corn in southern China, Chinese importers have booked around 195,000 MT of corn from the Pacific Northwest, U.S. at \$195 / MT (Delivered price) for the shipment in the late spring to early summer.
- South Korea's Nonghyup Feed Inc. bought 199,000 MT of corn in three consignments. One consignment of 68,000 MT was purchased at \$188.93 per MT c&f plus a \$ 0.95 per MT surcharge for additional port unloading for arrival around July 10. Another consignment of 65,000 MT was bought at a premium of \$1.15 c&f over the Chicago July corn contract plus a \$1.0 per MT surcharge for additional port unloading for arrival around July 20. Rest 66,000 MT was purchased in the third consignment at a premium of \$1.11 c&f over the Chicago July corn contract plus a \$1.0 per MT surcharge for additional port unloading for arrival around Aug. 1.
- Korea Corn Processing Industry Association of South Korea also bought about 60,000 MT of corn to be sourced from optional origins at \$192.75 per MT c&f including surcharge for additional port unloading for arrival around June 10. (Source: Reuters)



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.69 USD/MT to 143.10 USD/MT for March contract compared to last week. However, it is likely to trade firm due to fresh export demand.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Jun Contract Weekly Chart)

- Candlestick depicts down in the market.
- Prices closed above 9 days EMAs.
- There is no trade volume.

Strategy: Wait

Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1294	1301	1308	1313	1319

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1440-1500 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	16-Mar-17	9-Mar-17	16-Feb-17	16-Mar-16	16-Mar-15
Gulabbagh	Bilty	1450	1400	1500	NA	NA
Delhi	Red	1550	1580	1575	1725	1525
Davangere	Local Delivered	NA	NA	1560	NA	NA
Shimoga	Bilty	1530	1550	NA	NA	1130
Ranebennur	Bilty	NA	1560	1550	1380	NA
Bagalkot	Hybrid/Local	1458	1461	1453	1400	1272
Gadag	Local	1456	1459	1492	1370	1215
Nizamabad	Bilty	1450	1470	1480	1400	NA
Khanna	Bilty	1650	1650	1600	1750	1550
Sangli	Feed	1540	1544	1532	1460	1384
Ahmadabad	Feed	1540	1560	1540	1560	1450
	Starch	1560	1600	1540	1570	1450



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	15-Mar-17	8-Mar-17	Change
Corn CBOT Prices	Mar-17	143.10	143.79	-0.69
	May-17	146.06	146.55	-0.49
	July-17	148.62	149.5	-0.88
	Sep-17	151.57	152.06	-0.49
	Dec-17	155.11	154.62	0.49

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