



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Maize cash markets, by and large, traded steady during the week. However, maize cash markets are expected to trade steady to slightly 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. 1530 per quintal while starch feed makers quoted it down by Rs. 25 per quintal to Rs. 1550 per quintal compared to last week.

Government of India may increase MSP for Maize by Rs 25 per quintal for incoming kharif season 2017-18, starting from July this year. The Commission for Agricultural Costs and Prices (CACP) has recommended and sent it to ministry of Agriculture for examining the proposal. After examination, Ministry would send it to cabinet for approval. Generally govt. accepts recommendation of CACP as we have seen in past years. In percentage terms, these would be around 1.83% for maize and may be fixed at Rs 1390 a quintal.

In Gulabghat, new crop of maize traded down by Rs. 20 per quintal to Rs. 1450 per quintal (Bilty) compared to last week. It is likely to trade steady to weak in near term due to crop arrival pressure.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for June contract near 1334 levels for a target of 1348 and 1355 with a stop loss at 1326 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1500-1520 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT raised by 2.46 USD/MT to 143.60 USD/MT compared to last week for May contract due to high export demand. However, ample global stocks could weigh on market sentiments.

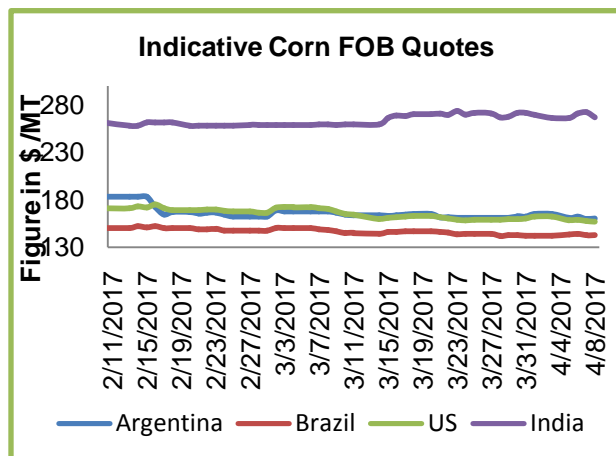
At 1.59 MMT (for the period 24th March –30th March, 2017) U.S corn exports were up 14 percent from the previous week and 11 percent from the previous 4-week average.

AW MAIZE INDEX:



The Agriwatch Cereals Commodities Index gained 1.16% during the week ended March 25, 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. 64.47)				
As on 8.04.2017	Argentina	Brazil	US	India
FOB	160.53	142.72	157.30	267.02
Cost and Freight (C&F)	210.53	197.72	217.30	302.02

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.

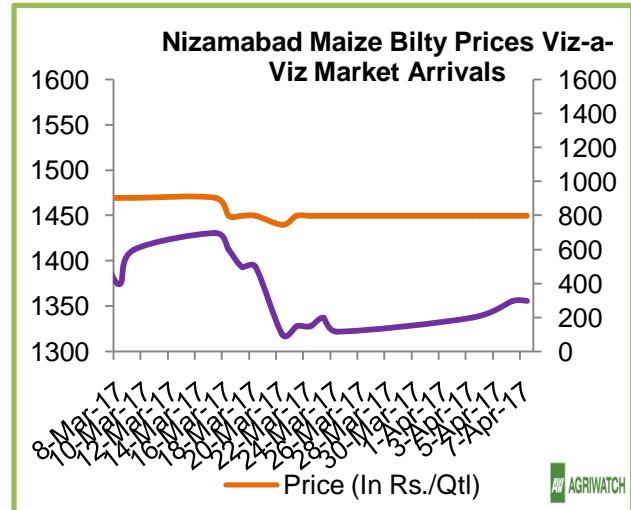
- We are unable to update export-import data as Govt has restricted the latest IBIS data for Public domain. We will be able to update it as and when available.

CURRENT MARKET DYNAMICS:

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

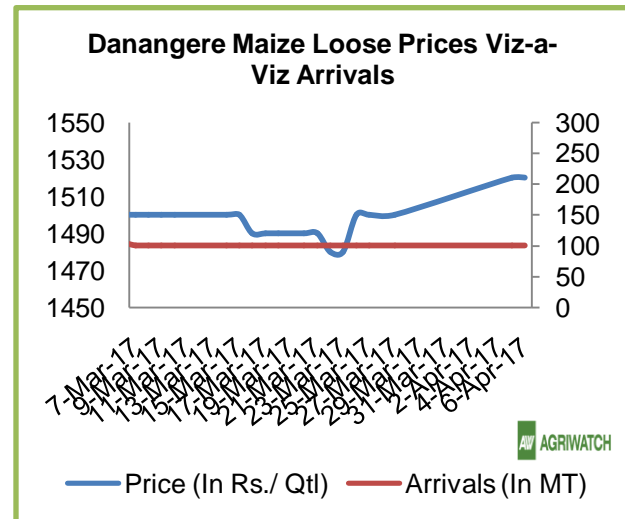
ANDHRA PRADESH:

- In Nizamabad, maize (bilty) traded steady at Rs. 1450 per quintal compared to last week and is likely to trade steady in the near term.



KARNATAKA:

- In Davangere, Maize is likely to trade steady in the near term. Stock of maize could be around 5,00,000 quintals which is same compared to last year.



DOMESTIC MAIZE OUTLOOK:

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



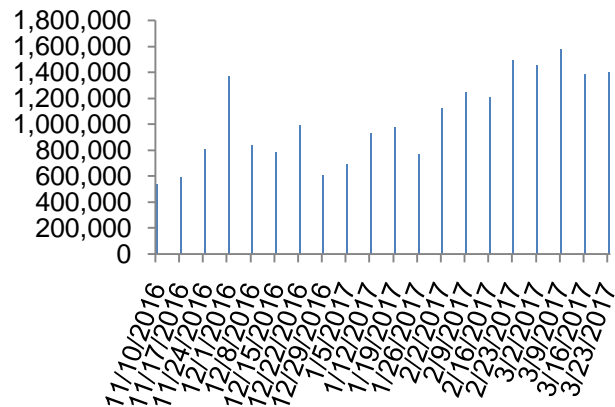
INTERNATIONALS

MARKET:

HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 32.12 MMT in the 2016-17 marketing year. At 1.59 MMT (for the period 24th March –30th March, 2017) exports were up 14 percent from the previous week and 11 percent from the prior 4-week average. The primary destinations were Colombia (474,500 MT), Japan (373,100 MT), Mexico (242,600 MT), Saudi Arabia (134,700 MT), and South Korea (133,500 MT).

US Corn Weekly Exports (2016-17) in Metric Tons



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT raised by 2.46 USD/MT to 143.60 USD/MT compared to last week for May contract due to high export demand. However, ample global stocks and expectation for high South American crop could weigh on market sentiments.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Jun Contract Weekly Chart)

- Candlestick depicts gain in the market.
- Prices closed above 9 days EMAs.
- Increase in prices with higher volume and OI indicates long build up.
- Strategy: Buy near 1334 for target 1348 and 1355 in the near term.

Strategy: Buy
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1301	1318	1334	1363	1380

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1500-1520 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	6-Apr-17	30-Mar-17	9-Mar-17	6-Apr-16	6-Apr-15
Gulabbagh	Bilty	1450	1470	1400	1250	1350
Delhi	Hybrid	1600	1580	1580	1450	1550
Davangere	Loose Price	1520	NA	NA	NA	NA
Shimoga	Bilty	1540	1540	1550	NA	1250
Ranebennur	Bilty	NA	NA	1560	1420	1350
Bagalkot	Hybrid/Local	1488	1476	1461	1410	1260
Gadag	Local	1441	1452	1459	1411	NA
Nizamabad	Bilty	1450	1450	1470	1410	1270
Khanna	Bilty	1620	1660	1650	1670	1575
Sangli	Feed	1550	1540	1544	1510	1380
Ahmadabad	Feed	1530	1550	1560	1510	1400
	Starch	1550	1575	1600	1530	1450

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	5-Apr-17	29-Mar-17	Change
Corn CBOT Prices	May-17	143.60	141.14	2.46
	July-17	146.65	144.09	2.56
	Sep-17	149.6	146.94	2.66
	Dec-17	153.24	150.39	2.85
	Mar-18	156.88	154.13	2.75

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