



Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded steady to weak during the week and are expected to trade steady to weak in the near term too due to crop arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize down by Rs. 15 per quintal to Rs. 1515 per quintal while starch feed makers quoted it steady at Rs. 1550 per quintal compared to last week.

Due to variation in moisture level from 14 to 29% in new maize crop, prices in Gulabbagh market varies per quality and moisture level available in coming crop.

In Gulabbagh, new crop of maize containing 14% moisture traded down by Rs. 125 per quintal at Rs. 1325 per quintal (Bilty) compared to last week. However, it is likely to trade steady to slightly firm in near term due to fresh demand.

RECOMMENDATION:

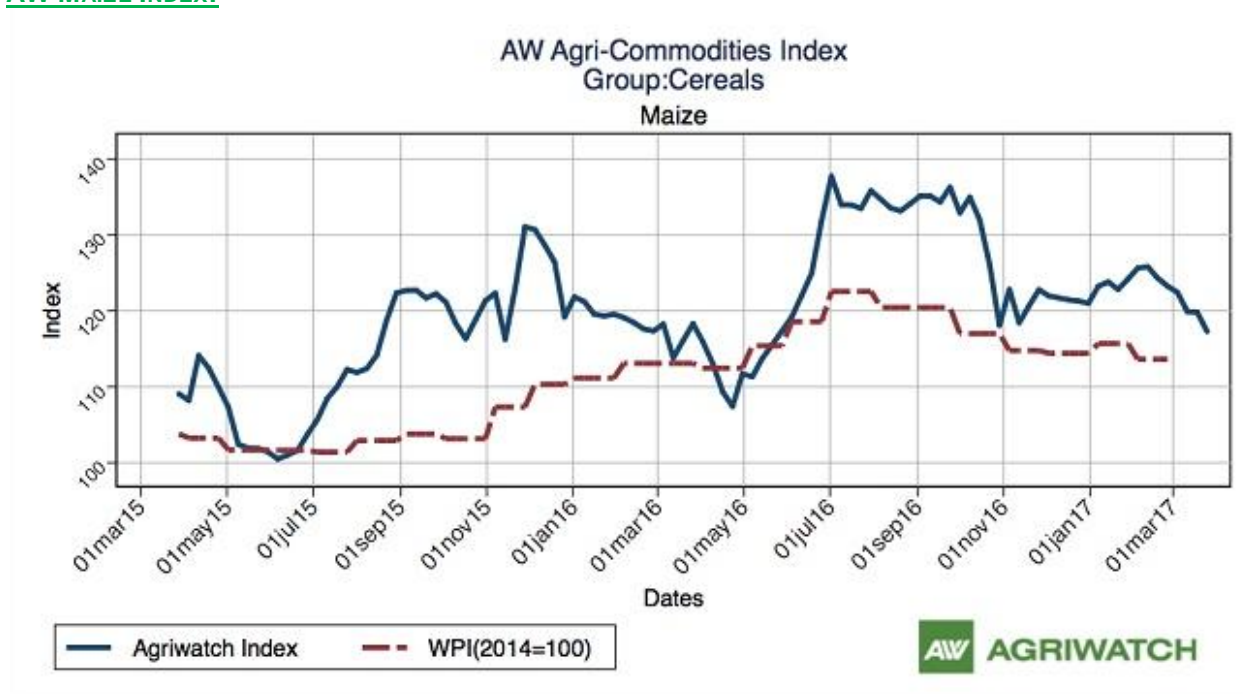
Weekly Call - : Market participants are advised to go long in Maize for June contract near 1355 levels for a target of 1379 and 1391 with a stop loss at 1341 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1520 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT raised by 1.67 USD/MT to 145.27 USD/MT compared to last week for May contract on the concern over slow start to planting in the Midwest.

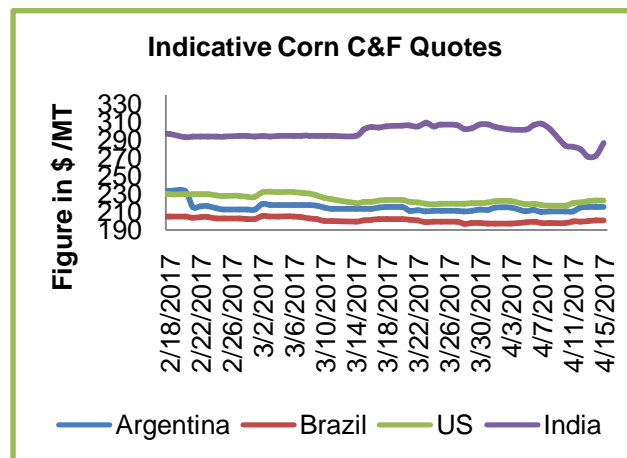
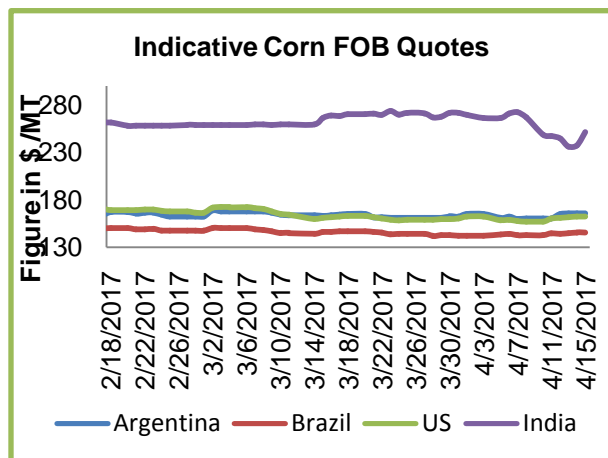
At 1.07 MMT (for the period 31st March –6th April, 2017) U.S corn exports were down 33 percent from the previous week and 27 percent from the prior 4-week average.

USDA increased its world corn ending stock estimates by 2.299 MMT to 222.977 MMT for 2016/17 compared to last month due to increase in production estimate for Brazil and Argentina crop.

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. 64.48)				
As on 15.04.2017	Argentina	Brazil	US	India
FOB	165.75	145.81	162.60	251.32
Cost and Freight (C&F)	215.75	200.81	222.60	286.32

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:

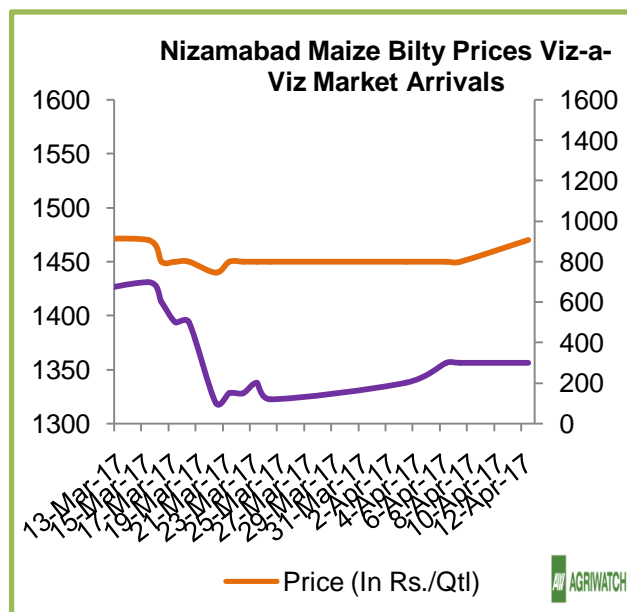
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	16700-16800 (Davangere Origin)	N.A
Namakkal	17200-17300 (Davangere Origin)	N.A

CURRENT MARKET DYNAMICS:

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

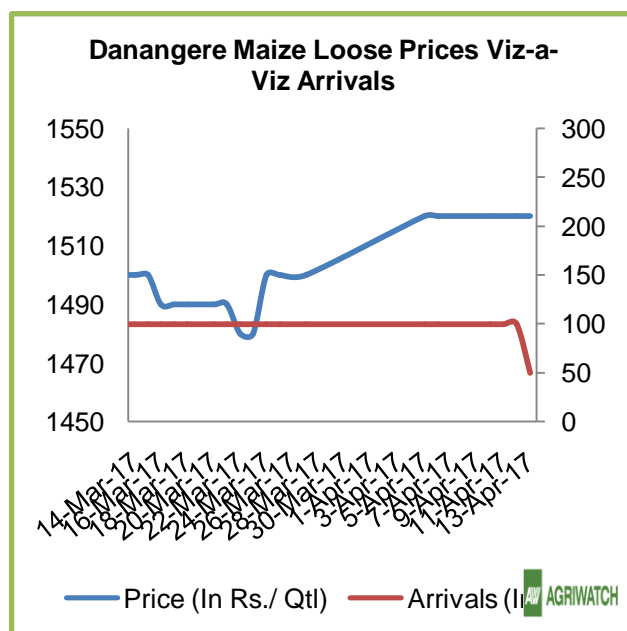
ANDHRA PRADESH:

- In Nizamabad, maize cash market reported closed most of the days due to Hanuman Jayanti and Ambedkar Jayanti. Maize (bilty) traded firm by Rs. 20 per quintal to Rs. 1470 per quintal compared to last week and is likely to trade steady in the near term.



KARNATAKA:

- In Davangere, Maize (loose) traded steady at Rs. 1520 per quintal compared to last week and is likely to trade steady in the near term.

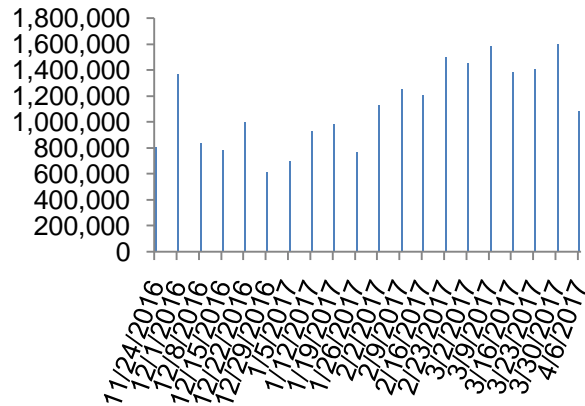


DOMESTIC MAIZE OUTLOOK:

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 33.20 MMT in the 2016-17 marketing year. At 1.07 MMT (for the period 31st March –6th April, 2017) exports were down 33 percent from the previous week and 27 percent from the prior 4-week average. The primary destinations were Mexico (245,800 MT), Japan (224,400 MT), Taiwan (154,000 MT), Colombia (120,800 MT), and Saudi Arabia (67,600 MT).
- USDA increased its world corn ending stock estimates by 2.299 MMT to 222.977 MMT for 2016/17 compared to last month due to increase in production estimate for Brazil and Argentina crop. Brazil crop production is increased by 2 MMT to 93.5 MMT while Argentina crop production is increased by 1 MMT to 38.5 MMT for 2016/17 compared to last month forecast.

US Corn Weekly Exports (2016-17) in Metric Tons**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT raised by 1.67 USD/MT to 145.27 USD/MT compared to last week for May contract on the concern over slow start to planting in the Midwest. 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.
- RSI is moving up in overbought region.
- Increase in prices with lower OI indicates short covering.
- Strategy: Buy near 1355 for target 1379 and 1391 in the near term.

Strategy: Buy
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1325	1340	1356	1395	1420

DAVANGERE MARKET ANALYSIS: MAIZE



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

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	13-Apr-17	6-Apr-17	13-Mar-17	13-Apr-16	13-Apr-15
Gulabgh	Bilty	1300	1450	1400	1150	1370
Delhi	Hybrid	1500	1600	1500	1350	1550
Davangere	Loose Price	1520	1520	NA	NA	NA
Shimoga	Bilty	1540	1540	1550	NA	1250
Ranebennur	Bilty	NA	1610	1530	1460	1330
Bagalkot	Hybrid/Local	1466	1488	1450	1412	1267
Gadag	Local	NA	1441	1466	1336	1251
Nizamabad	Bilty	Closed	1450	1470	1420	1275
Khanna	Bilty	1620	1620	1650	1625	1575
Sangli	Feed	1548	1550	1530	1525	1366
Ahmadabad	Feed	1515	1530	1550	1460	1425
	Starch	1550	1550	1560	1480	1475

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	12-Apr-17	5-Apr-17	Change
Corn CBOT Prices	May-17	145.27	143.60	1.67
	July-17	148.02	146.65	1.37
	Sep-17	150.68	149.6	1.08
	Dec-17	154.52	153.24	1.28
	Mar-18	157.87	156.88	0.99

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