

# Maize Weekly Research Report

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#### EXECUTIVE SUMMARY

#### DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded slightly firm during the week and are expected to trade steady in the near term amid fresh demand and arrival pressure. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 15 per quintal to Rs. 1530 per quintal while starch feed makers quoted it firm by Rs. 30 per quintal to Rs. 1580 per quintal compared to last week.

In Gulabghat, new crop of maize containing 14% moisture traded firm by Rs. 25 per quintal at Rs. 1350 per quintal (Bilty) compared to last week amid fresh demand. However, it is likely to trade steady in near term amid huge demand and supply.

#### RECOMMENDATION:

Weekly Call - : Market participants are advised to go long in Maize for June contract near 1401 levels for a target of 1421 and 1431 with a stop loss at 1391 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

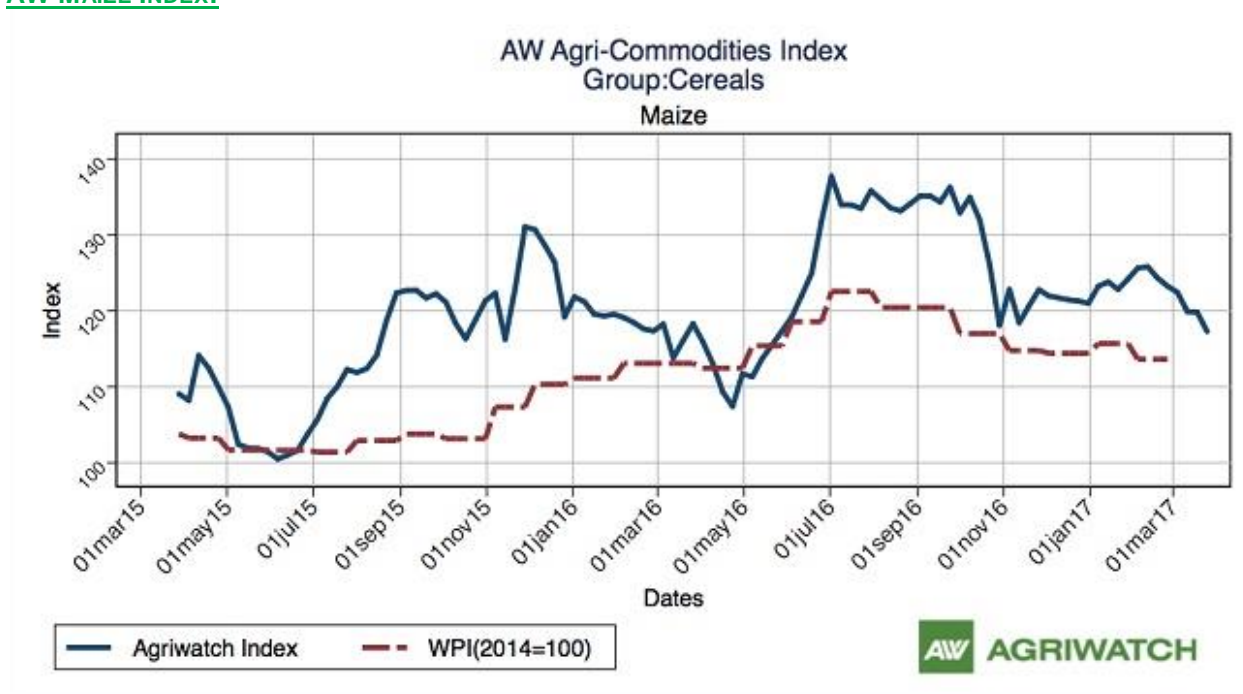
Corn prices on CBOT fall by 2.86 USD/MT to 142.41 USD/MT compared to last week for May contract.

At 1.40 MMT (for the period 7<sup>th</sup> April –13<sup>th</sup> April, 2017) U.S corn exports were up 31 percent from the previous week and 3 percent from the prior 4-week average.

In Ukraine, a sharp fall in air temperatures combined with heavy snow is likely to affect spring maize sowing.

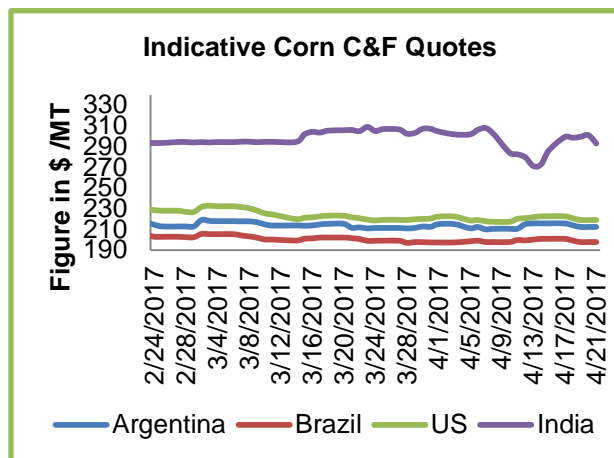
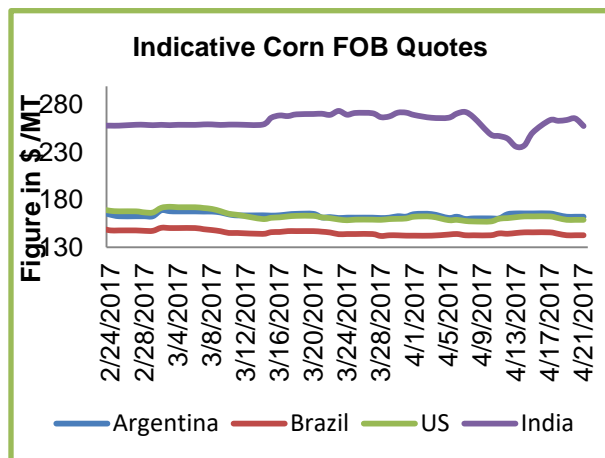
Preliminary Japanese government data shows that Japan's use of corn in animal feed production fell by 0.3 % to 45.9% in the February'17 compared to same month last year.

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. 64.57)				
As on 21.04.2017	Argentina	Brazil	US	India
FOB	162.30	142.75	159.00	258.01
Cost and Freight (C&F)	212.30	197.75	219.00	293.01

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:

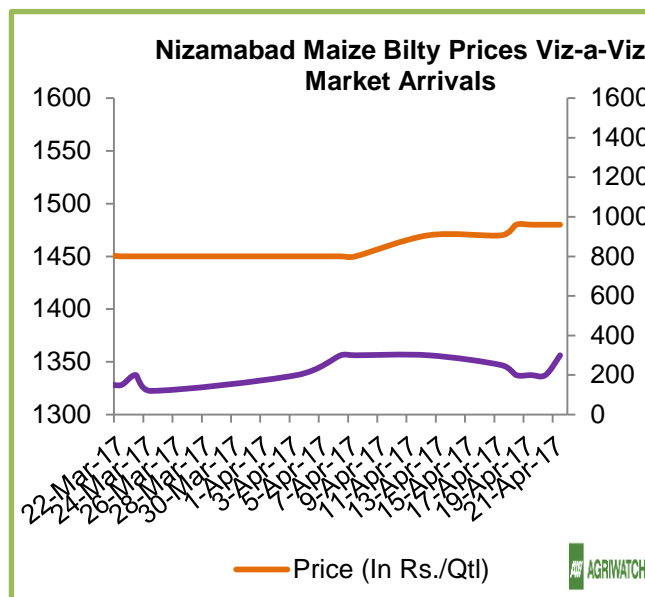
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	17200 (Davangere Origin)	N.A
Namakkal	17500-17700 (Davangere Origin)	N.A

## CURRENT MARKET DYNAMICS:

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

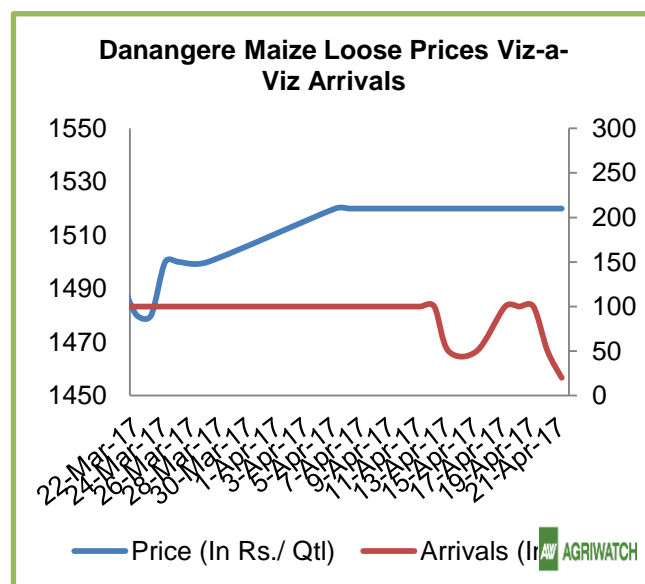
### ANDHRA PRADESH:

- In Nizamabad, Maize (bilty) traded firm by Rs. 10 per quintal to Rs. 1480 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.

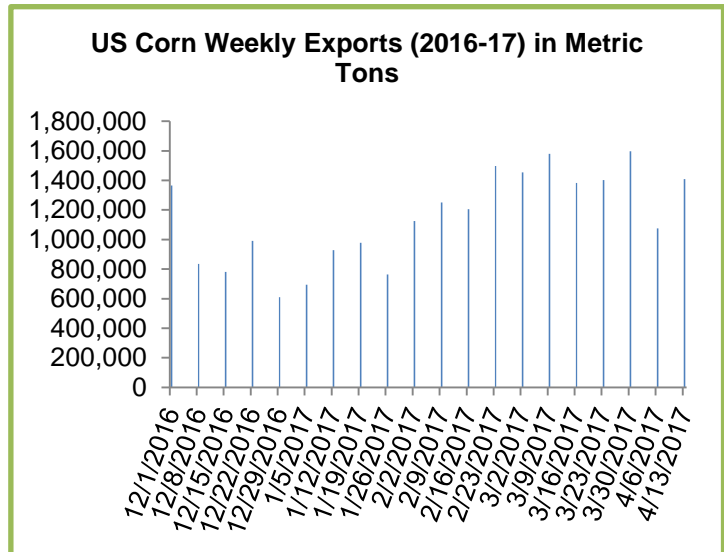


## DOMESTIC MAIZE OUTLOOK:

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

**INTERNATIONALS****MARKET:****HIGHLIGHTS/CURRENT DEVELOPMENTS**

- As per USDA, U.S corn exports reached 34.61 MMT in the 2016-17 marketing year. At 1.40 MMT (for the period 7<sup>th</sup> April –13<sup>th</sup> April, 2017) exports were up 31 percent from the previous week and 3 percent from the prior 4-week average. The primary destinations were Japan (503,900 MT), Mexico (425,700 MT), Peru (122,300 MT), Taiwan (90,400 MT), and the Dominican Republic (76,900 MT).
- South Korea's Major Feed mill Group purchased about 137,000 MT of corns, likely to be sourced from optional origin. Some 68,000 MT was bought at around \$193.80 per MT c&f plus a \$1.50 per MT surcharge for additional port unloading for the arrival around July 20. Another 69,000 MT was bought at around \$192.50 per MT c&f plus a \$1.50 per MT surcharge for additional port unloading for the arrival around Aug. 11.
- In Ukraine, a sharp fall in air temperatures combined with heavy snow is likely to affect spring maize sowing.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production fell by 0.3 % to 45.9% in the February'17 compared to same month last year as users' reliance on alternatives such as wheat increased.

**INTERNATIONAL CORN OUTLOOK:**

Corn prices on CBOT fall by 2.86 USD/MT to 142.41 USD/MT compared to last week for May contract.

### 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.
- Strategy: Buy near 1401 for target 1421 and 1431 in the near term.

#### Strategy: Buy

#### Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1338	1378	1418	1439	1460



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	20-Apr-17	13-Apr-17	21-Mar-17	20-Apr-16	20-Apr-15
Gulabghagh	Bilty	1370	1300	1470	1150	1275
Delhi	Hybrid	1550	1500	1550	NA	1570
Davangere	Loose Price	1520	1520	NA	NA	NA
Shimoga	Bilty	NA	1540	1530	NA	1250
Ranebennur	Bilty	NA	1600	1520	1410	NA
Bagalkot	Hybrid/Local	1489	1486	1470	1410	1261
Gadag	Local	1510	1532	1495	1391	NA
Nizamabad	Bilty	1480	Closed	1450	1400	1275
Khanna	Bilty	1610	1620	1650	1580	1590
Sangli	Feed	1555	1548	1545	1520	1370
Ahmadabad	Feed	1530	1515	1540	1500	1400
	Starch	1580	1550	1560	1500	1425

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	19-Apr-17	12-Apr-17	Change
Corn CBOT Prices	May-17	142.41	145.27	-2.86
	July-17	144.97	148.02	-3.05
	Sep-17	147.93	150.68	-2.75
	Dec-17	152.16	154.52	-2.36
	Mar-18	156.00	157.87	-1.87

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