

Maize Weekly Research Report

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EXECUTIVE SUMMARY

DOMESTIC MAIZE MARKET SUMMARY

Overall maize cash markets traded mixed 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. 10 per quintal to Rs. 1540 per quintal while starch feed makers quoted it down by Rs. 10 per quintal to Rs. 1570 per quintal compared to last week.

In Gulabghat, new crop of maize containing 14% moisture traded down by Rs. 40 per quintal at Rs. 1310 per quintal (Bilty) compared to last week. However, it is likely to trade steady in near term amid huge demand and supply.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for June contract near 1360 levels for a target of 1342 and 1333 with a stop loss at 1370 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1580-1630 per quintal for the week.

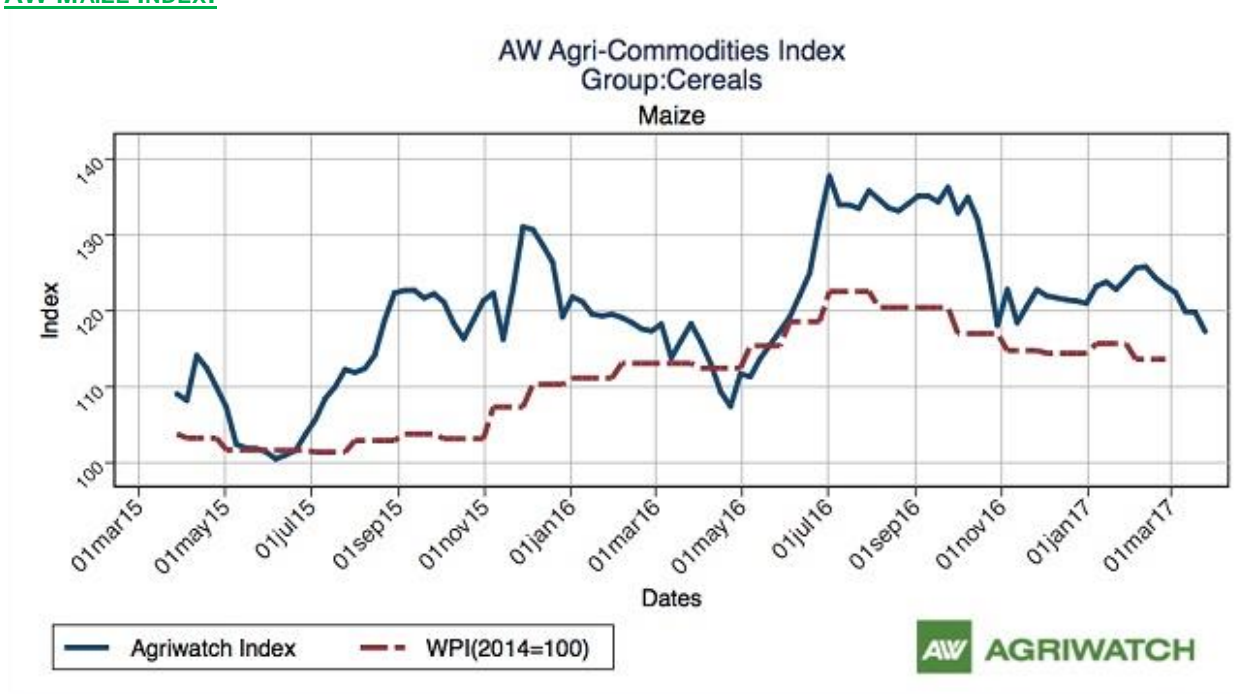
INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 1.08 USD/MT to 141.33 USD/MT compared to last week for May contract.

At 1.37 MMT (for the period 14th April –20th April, 2017) U.S corn exports were down 2 percent from the previous week, but unchanged from the prior 4-week average.

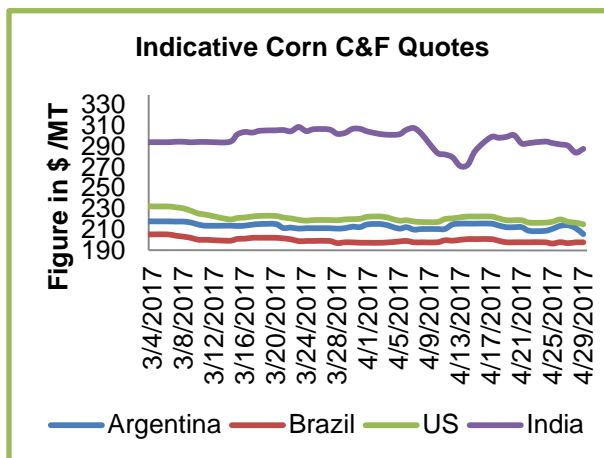
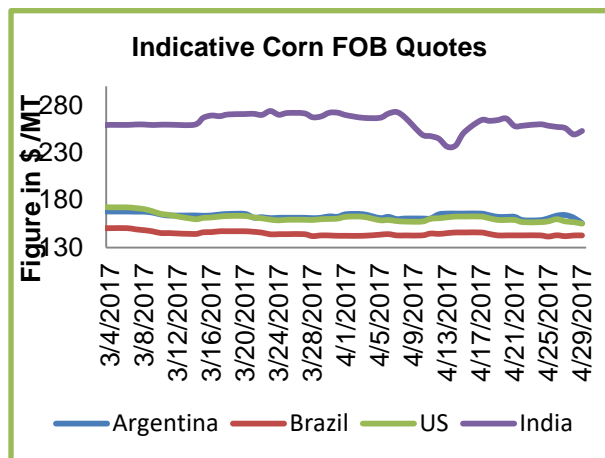
In U.S 17% corn planting has been completed as of 23rd April, 2017, lower by 11% compared to corresponding period of last year and 1% from last 5 year average period.

IGC raised its forecast for the 2016/17 global corn production by 6 MMT to 1059 MMT compared to previous forecast.

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. 64.28)				
As on 29.04.2017	Argentina	Brazil	US	India
FOB	155.61	142.68	155.12	252.89
Cost and Freight (C&F)	205.61	197.68	215.12	287.89

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:

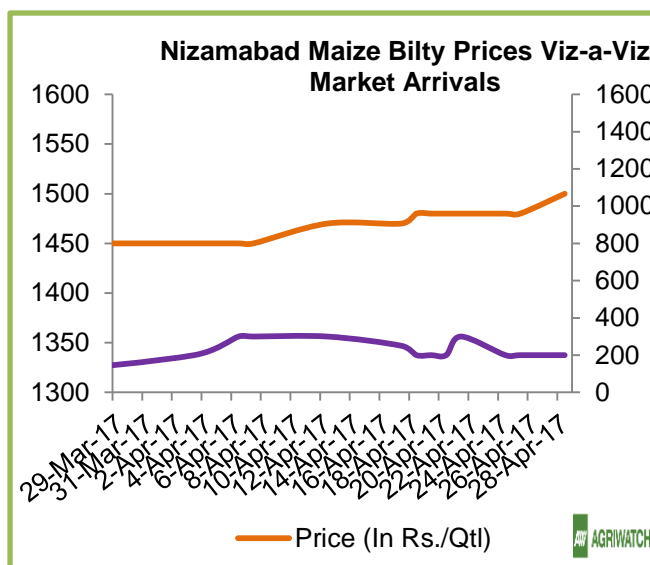
Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Bangalore	17200 (Davangere Origin)	N.A
Namakkal	17800 (Davangere Origin)	N.A
Punjab	15500 (Bihar Origin)	N.A
U.P	14500 (Bihar Origin)	N.A
Kolkata	14500 (Bihar Origin)	N.A

CURRENT MARKET DYNAMICS:

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

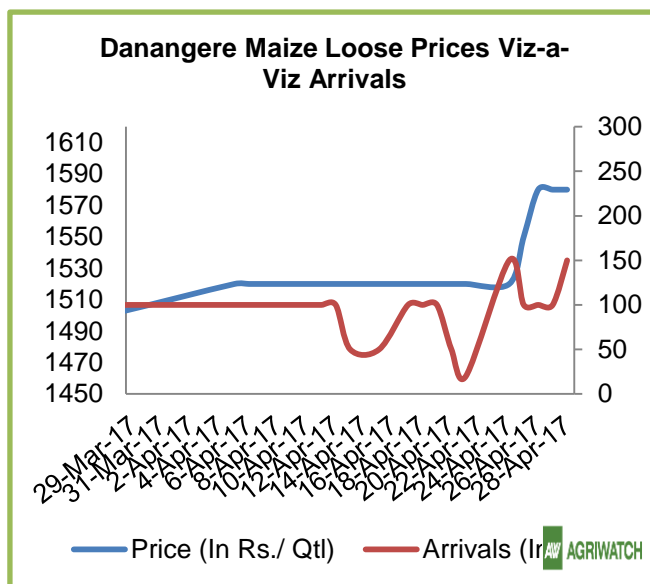
ANDHRA PRADESH:

- In Nizamabad, Maize (bilty) traded firm by Rs. 20 per quintal to Rs. 1500 per quintal compared to last week and is likely to trade steady in the near term. Maize is moving towards Hyderabad at Rs. 1560 per quintal (Delivered Price) sourced from Nizamabad.



KARNATAKA:

- In Davangere, Maize (loose) traded firm by Rs. 60 per quintal to Rs. 1580 per quintal compared to last week and is likely to trade firm in the near term too due to high feed makers demand from Bangalore and Nammakal. Unfavorable weather conditions are likely to support maize prices.



DOMESTIC MAIZE OUTLOOK:

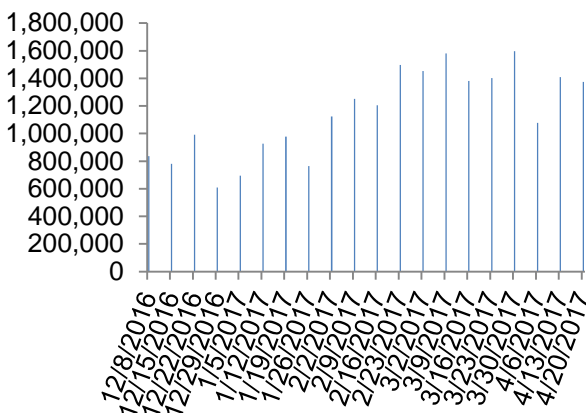
Maize cash market is likely to trade steady in the near term.



INTERNATIONALS MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS

- As per USDA, U.S corn exports reached 35.98 MMT in the 2016-17 marketing year. At 1.37 MMT (for the period 14th April –20th April, 2017) exports were down 2 percent from the previous week, but unchanged from the prior 4-week average. The primary destinations were Japan (364,800 MT), Mexico (275,400 MT), Peru (149,700 MT), Saudi Arabia (133,800 MT), and Taiwan (129,500 MT).
- In U.S 17% corn planting has been completed as of 23rd April, 2017, lower by 11% compared to corresponding period of last year and 1% from last 5 year average period. 4% crop of corn has emerged, same compared to last year and last 5 year average period.
- Taiwan's feed industry procurement association MFIG purchased about 65,000 MT of corn likely to be sourced from Brazil at a premium of 105.37 U.S. cents c&f over the Chicago September 2017 corn contract for the shipment between July 1-20. The Seller was ADM.
- IGC raised its forecast for the 2016/17 global corn production by 6 MMT to 1059 MMT compared to previous forecast. It also raised its forecast for 2017/18 global corn production by 2 MMT to 1026 MMT compared to previous forecast. Forecast for global corn ending stock was up by 2 MMT to 207 MMT compared to last forecast for 2017/18.

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



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 1.08 USD/MT to 141.33 USD/MT compared to last week for May contract.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(Jun Contract Weekly Chart)

- Candlestick depicts down in the market.
- Prices closed above 9 days EMAs.
- RSI is moving down in neutral region.
- Strategy: Sell near 1360 for target 1342 and 1333 in the near term.

Strategy: Sell

Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1330	1328	1356	1404	1452

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1580-1630 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	27-Apr-17	20-Apr-17	27-Mar-17	27-Apr-16	27-Apr-15
Gulabbagh	Bilty	1340	1370	1470	1170	1325
Delhi	Hybrid	1500	1550	1550	NA	1570
Davangere	Loose Price	1580	1520	1500	NA	NA
Shimoga	Bilty	1560	1540	1540	1400	1280
Ranebennur	Bilty	1600	1590	1650	1480	1320
Bagalkot	Hybrid/Local	1496	1489	1472	1445	1310
Gadag	Local	1532	1510	1622	1351	1252
Nizamabad	Bilty	Closed	1480	1450	1430	1280
Khanna	Bilty	1610	1610	1630	1465	1475
Sangli	Feed	1588	1555	1538	1555	1380
Ahmadabad	Feed	1540	1530	1540	1500	1400
	Starch	1570	1580	1575	1520	1400

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-Apr-17	19-Apr-17	Change
Corn CBOT Prices	May-17	141.33	142.41	-1.08
	July-17	144.38	144.97	-0.59
	Sep-17	147.14	147.93	-0.79
	Dec-17	151.27	152.16	-0.89
	Mar-18	155.11	156.00	-0.89

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