



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. In Ahmadabad region of Gujarat, poultry feed makers quoted maize firm by Rs. 30 per quintal to Rs. 1490 per quintal while starch feed makers quoted it firm by Rs. 25 per quintal to Rs. 1525 per quintal compared to last week.

In Gulabghat, new crop of maize traded down by Rs. 20 per quintal at Rs. 1250 per quintal (Bilty) compared to last week. It is likely to trade steady in near term.

RECOMMENDATION:

Weekly Call - : Market participants are advised to go short in Maize for June contract near 1319 levels for a target of 1305 and 1298 with a stop loss at 1327 on closing basis. In Davangere cash market, maize (loose) prices are likely to trade at Rs.1600 per quintal for the week.

INTERNATIONAL CORN MARKET SUMMARY

Corn prices on CBOT fall by 0.10 USD/MT to 14615 USD/MT compared to last week for July contract and is likely to trade down amid low export demand for U.S corn.

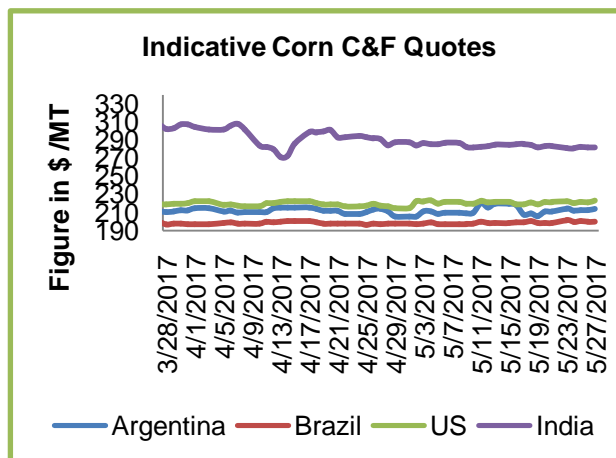
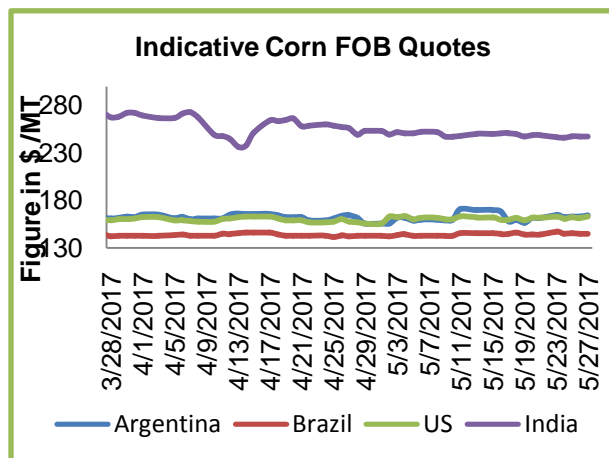
At 1.05 MMT (for the period 12th May –18th May, 2017) U.S corn exports were down 32 percent from the previous week and 14 percent from the prior 4-week average.

IGC raised its forecast for the 2016/17 global corn production by 6 MMT to 1065 MMT compared to previous forecast. However, it kept unchanged its forecast for 2017/18 global corn production at 1026 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. 64.52)				
As on 27.05.2017	Argentina	Brazil	US	India
FOB	164.07	144.73	163.11	247.25
Cost and Freight (C&F)	214.07	199.73	223.11	282.25

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)
Punjab	14750 (Bihar Origin)	N.A
U.P	14000 (Bihar Origin)	N.A
Kolkata	14000 (Bihar Origin)	N.A
Bangalore	17200 (Davangere Origin)	N.A
Nammakal	17700 (Davangere 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:

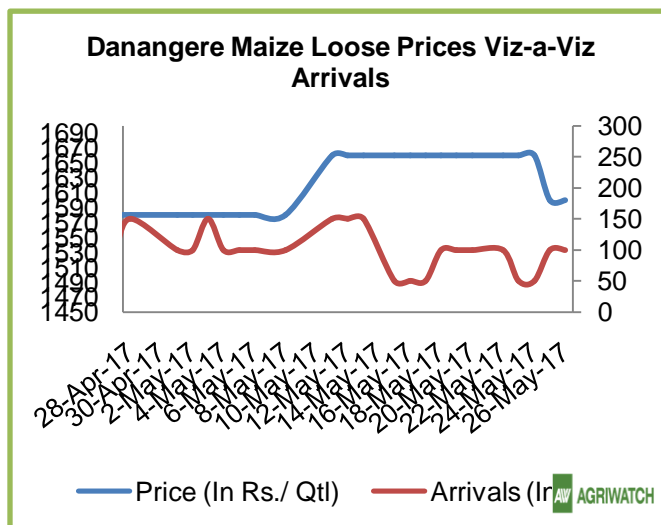
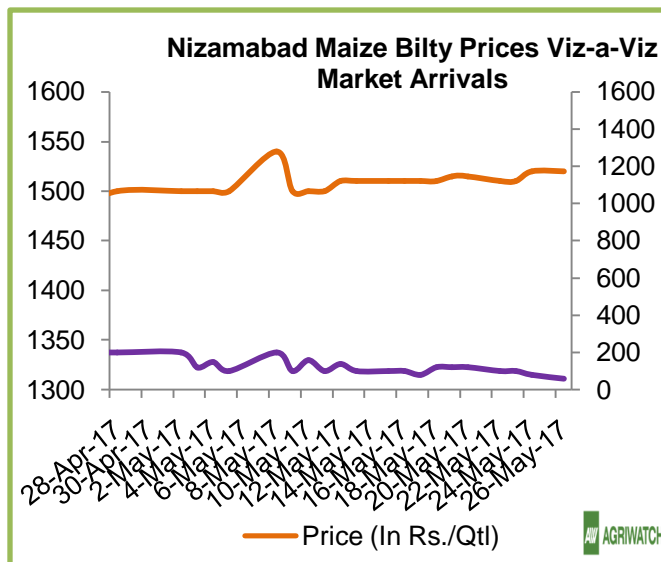
- In Nizamabad, Maize (bilty) traded firm by Rs. 10 per quintal to Rs. 1520 per quintal compared to last week and is likely to trade steady in the near term.

KARNATAKA:

- In Davangere, Maize (loose) traded down by Rs. 60 per quintal to Rs. 1600 per quintal compared to last week. Maize could trade steady to slightly firm in the near term depends on weather conditions of Bihar.

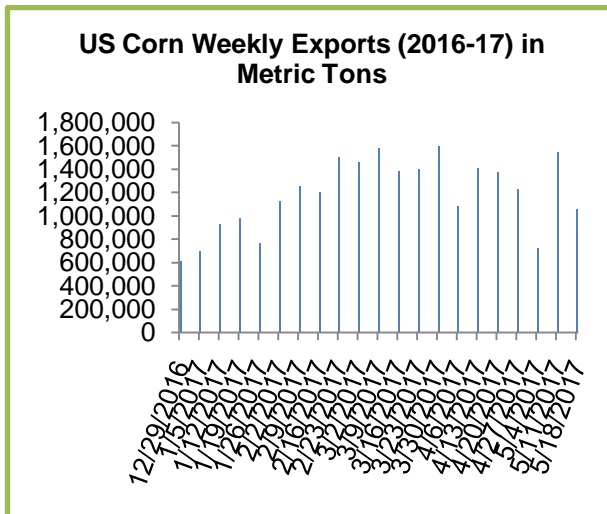
DOMESTIC MAIZE OUTLOOK:

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 40.53 MMT in the 2016-17 marketing year. At 1.05 MMT (for the period 12th May –18th May, 2017) exports were down 32 percent from the previous week and 14 percent from the prior 4-week average. The primary destinations were Japan (464,900 MT), Mexico (348,600 MT), Taiwan (70,300 MT), Bangladesh (52,900 MT), and Peru (42,500 MT).
- IGC raised its forecast for the 2016/17 global corn production by 6 MMT to 1065 MMT compared to previous forecast. However, it kept unchanged its forecast for 2017/18 global corn production at 1026 MMT compared to previous forecast. Forecast for global corn ending stock was down by 10 MMT to 197 MMT compared to last forecast for 2017/18 due to increase in trade and consumption forecast.



INTERNATIONAL CORN OUTLOOK:

Corn prices on CBOT fall by 0.10 USD/MT to 14615 USD/MT compared to last week for July contract and is likely to trade down amid low export demand for U.S corn.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(Jun Contract Weekly Chart)

- Candlestick depicts down in the market.
- Prices closed below 9 days EMAs.
- RSI is moving down in neutral region.
- Strategy: Sell near 1319 for target 1305 and 1298 in the near term.

Strategy: Sell
Maize NCDEX (Jun)

Support & Resistance				
S2	S1	PCP	R1	R2
1263	1286	1315	1339	1362

DAVANGERE MARKET ANALYSIS: MAIZE



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1600 per quintal for the week.

ANNEXURE

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	25-May-17	18-May-17	25-Apr-17	25-May-16	25-May-15
Gulabbagh	Bilty	1250	1270	1370	1300	1100
Delhi	Hybrid	1425	1425	NA	1460	1290
Davangere	Loose Price	1600	1660	NA	NA	NA
Shimoga	Bilty	1580	1600	1560	NA	1310
Ranebennur	Bilty	1600	1590	NA	1540	1325
Bagalkot	Hybrid/Local	1535	1517	1496	1500	1310
Gadag	Local	1501	1329	1532	NA	NA
Nizamabad	Bilty	1520	1510	1480	1520	1270
Khanna	Bilty	1480	1540	1610	1465	1375
Sangli	Feed	1585	1576	1584	1650	1403
Ahmadabad	Feed	1490	1460	1575	1550	1300
	Starch	1525	1500	1600	1550	1335

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	24-May-17	17-May-17	Change
Corn CBOT Prices	July-17	146.15	146.25	-0.10
	Sep-17	149.21	149.30	-0.09
	Dec-17	153.44	153.14	0.30
	Mar-18	157.18	156.88	0.30
	May-18	159.54	159.24	0.30

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