

CORN FUTURES FACTSHEET

Corn, also known as maize, is grown in practically all of the temperate and tropical regions of the world. A staple food in many parts of the world, corn is the world's leading grain, with production surpassing that of wheat and rice. The plantation of corn in US falls between March to May, while the harvest of corn falls between October to mid-November.

Corn's usage for human food use only accounts for 8-10%, while approximately 55-60% of the U.S. corn crop is used for livestock feed, and between 35 to 40% of the U.S. crop is used to produce ethanol, an important component of gasoline in US.

Products and byproducts of corn

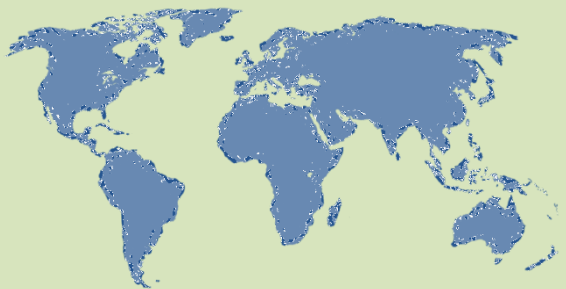
| | |
|-------------|----------------|
| Corn | Livestock feed |
| Corn starch | Soap |
| Cereals | Alcohol |
| Sweeteners | Ethanol |
| Corn Oil | Plastics |



Top Producers

(mil bushels/year):

- 1) U.S. (366,287)
- 2) China (257,330)
- 3) Brazil (94,500)
- 4) E.U (60,720)
- 5) Argentina (46,000)



*Data for 2019. Source: Statista

Top Consumers

(mil bushels/year):

- 1) U.S. (12,415)
- 2) China (10,905)
- 3) E.U. (3,275)
- 4) Brazil (2,618)
- 5) Mexico (1,720)

Factors That Move The Market

- Demand – Ethanol, livestock feed/meal
- Supply – Inventories and global production
- Prices of input – seed, fertiliser
- Weather events or natural disasters
- Import/export policy changes
- Government policy changes
- Adoption of substitution of Corn's products/byproducts
- Currency movement – USD



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Types of corns in United States:

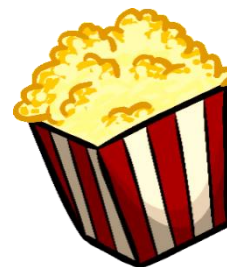
- ❖ There are three major types of corn cultivated in the United States: grain/field corn, sweetcorn and popcorn.
- ❖ Grain corn are classified into 4 types : dent corn, flint corn, four corn, waxy corn.
- ❖ About 95% of corn grown in United State is dent corn, which is used primarily as animal feed.

Key Features of Corn Futures Contract (ZC):

- ❖ Highly seasonal commodity based on the plantation and harvest periods.
- ❖ The winter months are usually the quiet period, while summer months are usually the active period.
- ❖ Price hedging tool for companies that rely on corn- related products

Key Statistics for ZC:

- ❖ Average daily volume (2019): ~407K contracts
- ❖ Average open interest: ~1.68 million contracts
- ❖ Average daily trading range : ~ \$0.0725 (29 ticks)



Key Data:

- ❖ USDA monthly feed grains outlook report (15th of every month)
- ❖ USDA weekly corn export report (every Thursday)
- ❖ USDA monthly Bioenergy Statistics (beginning of the month)
- ❖ USDA Planting intentions report (end of March)

DO YOU KNOW?

Americans eat around 17 billion quarts of popcorn every year. This amount would fill the Empire State Building 18 times

Contract Specifications (Source: CME Group website)

| Product | Corn |
|--------------------------------|---|
| Product Symbol | ZC |
| Contract Multiplier | 5000 bushels |
| Minimum Price Fluctuation | 0.25 cents |
| Value per Tick | \$ 12.50 |
| Settlement | Physical Delivery |
| Trading Hours (Malaysian Time) | 0800-2045 ; 2130-0220 (Daylight Saving Time) 0900 – 2145 ; 2230-0320 (Non-DST) |

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