

## 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

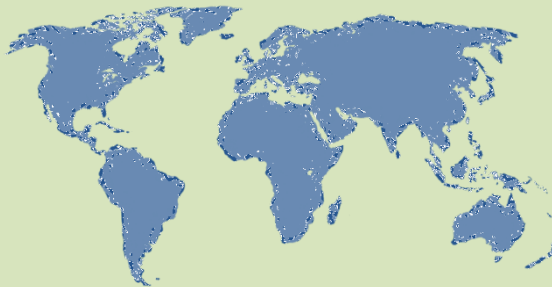
Corn	Livestock feed
Corn starch	Soap
Cereals	Alcohol
Sweeteners	Ethanol
Corn Oil	Plastics



### Top Producers

(mil bushels/year):

- 1) U.S. (346)
- 2) China (260)
- 3) Brazil (102)
- 4) Argentina (51)
- 5) Ukraine (35.9)



### Top Consumers

(mil bushels/year):

- 1) U.S. (12,025)
- 2) China (11,299)
- 3) E.U. (3,130)
- 4) Brazil (2,766)
- 5) Mexico (1,726)

*\*Data for 2020. Source: Statista and Investopedia*

### 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



## CORN FUTURES FACTSHEET

### 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 (2020): ~ 354K contracts
- ❖ Year-end open interest (2020): ~1,751K contracts

### Key Data:

- ❖ USDA monthly feed grains outlook report (15<sup>th</sup> 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	Mini Corn
Product Symbol	ZC	XC
Contract Multiplier	5,000 bushels	1,000 bushels
Minimum Price Fluctuation	0.25 cents	0.00125 cents
Value per Tick	\$ 12.50	\$ 1.25
Settlement	Physical Delivery	Physical Delivery
Trading Hours (Malaysian Time)	0800-2045 ; 2130-0220 (Daylight Saving Time) 0900 – 2145 ; 2230-0320 (Non-DST)	

## **KENANGA FUTURES SDN BHD** (353603-X)

Level 6, Kenanga Tower,  
237 Jalan Tun Razak,  
50400 Kuala Lumpur,  
Malaysia.

Tel: (603) 2172 3888  
Fax: (603) 2172 2729  
Email: [futures@kenanga.com.my](mailto:futures@kenanga.com.my)

**kenanga**



### **Disclaimer:**

This document has been prepared solely for the use of the recipient. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means without the prior written permission from Kenanga Futures Sdn Bhd. Although care has been taken to ensure the accuracy of the information contained herein, Kenanga Futures Sdn Bhd does not warrant or represent expressly or impliedly as to the accuracy or completeness of the information. This information does not constitute financial or trading advice; neither does it make any recommendation regarding product(s) mentioned herein. Kenanga Futures Sdn Bhd does not accept any liability for any trading and financial decisions of the reader or third party on the basis of this information. All applicable laws, rules, and regulations, from local and foreign authorities, must be adhered to when accessing and trading on the respective markets.