

Maize Monthly Research Report

Contents

- ❖ Review and Outlook
- ❖ India Maize balance sheet
- ❖ Consumption Break-Up
- ❖ Rabi Maize Sowing
- ❖ Domestic Market Dynamics
 - Arrivals
 - Monthly Spot Price Comparison
 - India Maize Trade Scenario
 - Domestic Market Analysis
 - India Maize Export Scenario
 - India Maize Export Parity
- ❖ International Market Scenario

REVIEW AND OUTLOOK:

Market showed steady sentiments during the month under review, however, it is expected that market will show some movement during the month of April.

Both Davangere and Gulabghat market received less quantity of arrivals this month, compared to last month. And the monthly average prices also decreased further, from the month of January, 23 in both the benchmark markets.

Corn prices on the CBOT decreased by 19.78 USD to 247.82 USD per MT for the February 23' contract.

OUTLOOK

Prices are expected to trade rangebound during the month of March, due to expected arrivals starting from mid-March.

INDIA MAIZE BALANCE SHEET (MY OCT – SEPT)

Maize Year-(Oct-Sep)	2021-22	2022-23*
Opening Stocks (MMT)	2.04	1.72
Production (MMT)	30.36	33.19
Imports (MMT)	0.01	0.01
Total Supply (MMT)	32.41	34.92
Export (MMT)	3.44	3
Domestic Consumption (MMT)	27.25	30
Total Demand (MMT)	30.69	33
Ending Stock (MMT)	1.72	1.92
Stock to Use Ratio	5.61%	5.82%

*AgriWatch Estimates

All India, Rabi Maize estimate revised up by 14% from previous estimate amid revised higher acreage in key growing states. According to projections for the current marketing year, this year will end with ending stocks and an opening stock of 1.72 MMT for the next year. Supply and demand seem to be at comfortable side.

DOMESTIC CONSUMPTION BREAK UP

(Quantity in MMT)

Consumption Break Up	2021-22	2022-23
Poultry & Cattle Feed	16.85	18.86
Starch & Brewery	5.75	6.29
Human Consumption	2.25	2.4
Seed	0.32	0.31
Shortage & Wastage	1.35	1.44
Storage & Moisture Loss	0.73	0.7
Total Domestic Consumption	27.25	30

RABI MAIZE SOWING UPDATES

According to the final data released by the Ministry of Agriculture on February 2, 2023, maize has been cultivated on 22.67 lakh hectares of land this year, which represents an increase of nearly 16% compared to the 19.48 lakh hectares sown last year.

DOMESTIC MARKET DYNAMICS

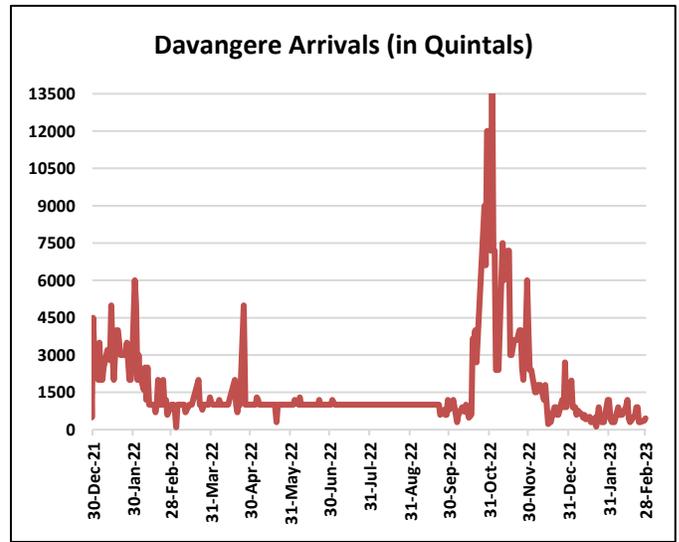
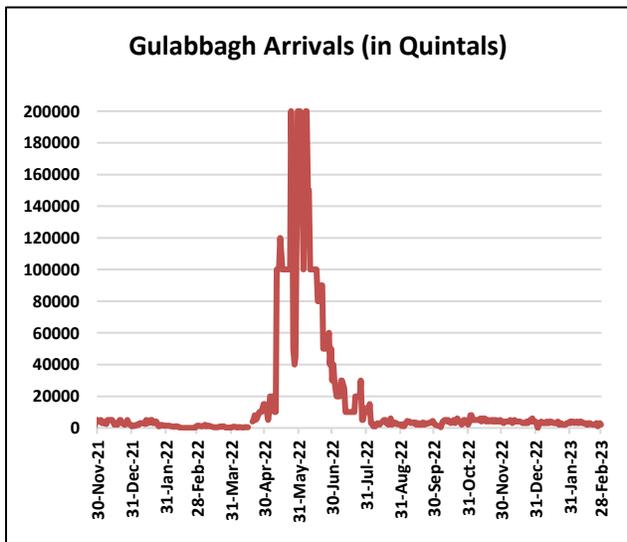
Maize prices remained somewhat steady in February 2023 on the local market due to tight supply and lull demand. However, demand and consumption are anticipated to increase due to the

potential diversion of maize from poultry, starch, and other industrial uses for ethanol production, while exports are anticipated to stay slightly lower due to the anticipated diversion for ethanol production. We at AgriWatch anticipate that the overall average prices for the current season would decline on rising stocks in accordance with the present fundamentals. However, some price growth is inevitable until the fresh Rabi crop begins to arrive in the markets from mid-March.

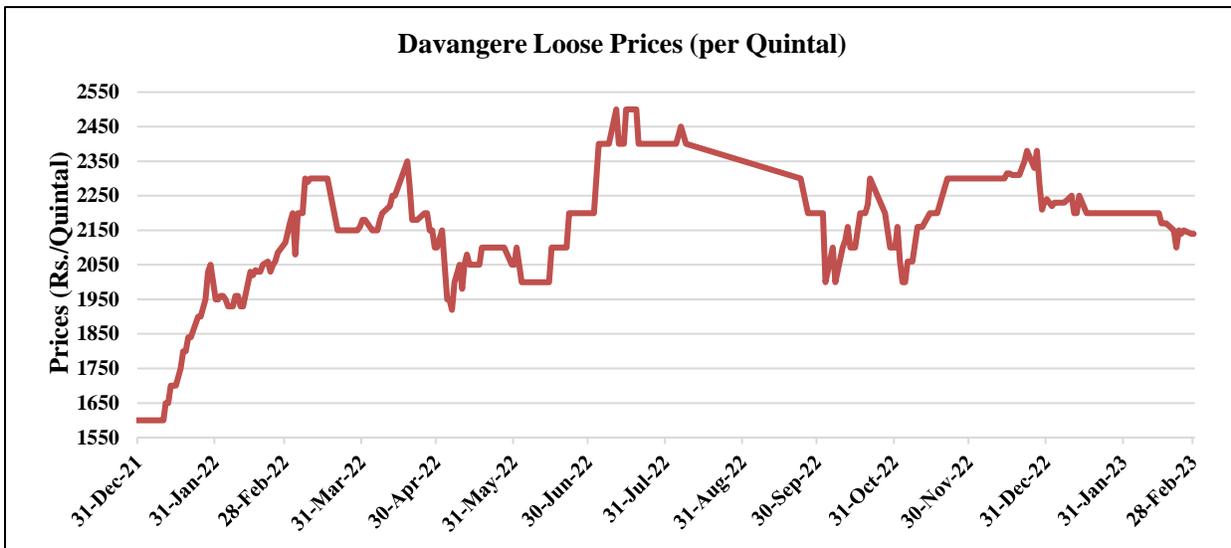
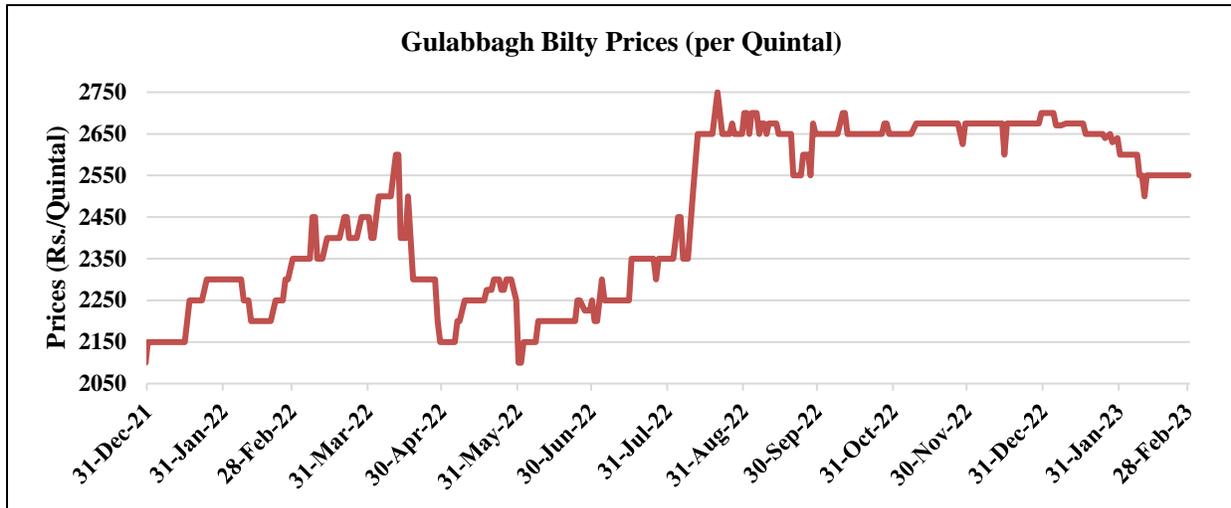
ARRIVALS:

The quantity of arrivals decreased further for the month of February 23' from January 23'. In the anticipation of higher prices, farmers are hesitant to sell their crop amid poor demand. The benchmark market in Davangere received 11,040 quintals in February, 2023 compared to 14,556 quintals overall in January 23'.

In contrast, new arrivals have ceased at the benchmark market in Gulabbagh, Bihar, where older arrivals are sold at a steady price until the beginning of April, when Rabi arrivals expectedly enters the market. A total of 68,500 quintals arrivals were delivered in february, 23 compared to 74,100 quintals delivered in January 23'.



MONTHLY SPOT PRICE COMPARISON



The monthly average for Maize bilty prices eased slightly at Rs. 2560 per quintal in February, 2023 compared to Rs. 2661.8 per quintal in January 23'.

Monthly average price for loose Maize in Davangere, Karnataka, was reported marginally down at Rs. 2174 from to Rs. 2212.27 per quintal as of January 23'.

INDIA MAIZE TRADE SCENARIO:

In the past few weeks, the trade of maize has become sluggish due to lull supply and demand. The arrivals from the new crop will begin from the last week of March /first week of April, then it is likely that prices might show some movement, however in short run, prices are expected to show weak momentum. Additionally, as broken rice is less expensive, the poultry industry recently turned to utilizing it instead of maize, leaving only the starch industry as a buyer for maize.

TECHNICAL ANALYSIS:

Maize – Technical Outlook **Maize Davangere Mandi prices -Monthly time frame**

Technical Chart:



Technical Commentary:

- During the month under review, Maize Davangere prices extended previous month’s loss and closed to 2,140 levels as compared to previous month’s closing at 2,200. However, market made low of 2,100 and a high of 2,200.
- Market is currently facing near term resistance of 9 EMA. While, 100 EMA can be characterized as support.
- RSI is currently at 55, indicating good buying strength and MACD is indicating good momentum.
- 2,050-2,100 is near term support and 2,150-2,200 is near term resistance and market is expected to trade rangebound in the range of 2,000-2,200.

Recommendation-

- Market Participants are recommended to buy near 2,000 and sell near 2,200 in short run.

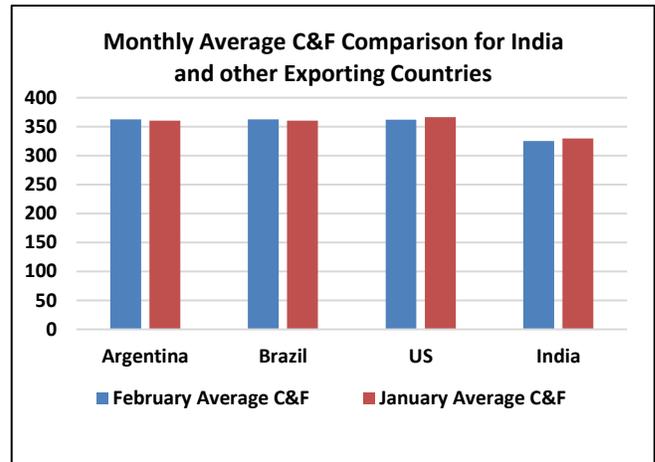
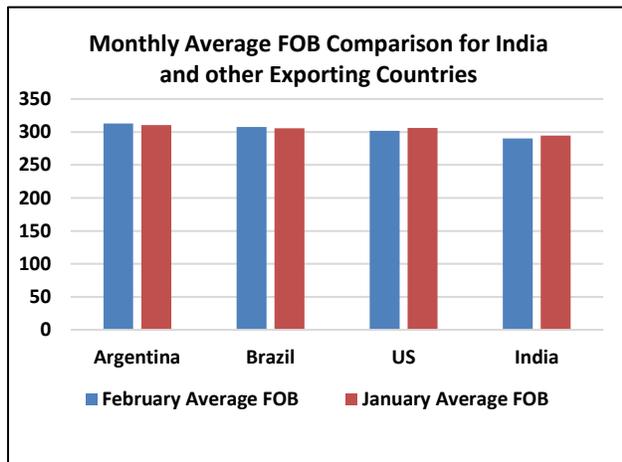
Maize Davangere Mandi Price Outlook (INR./Qtl)	Previous month Jan'23	Month under review Feb'23	Next month Mar'23
Monthly Average Price	2,200-2,250	2,100-2,200	2050-2200

Maize Price Outlook for coming month: Davangere Maize mandi prices are currently trading at INR. 2,140/qtl. and are expected to trade range bound in the range of INR 2,050-2,200 in short run.

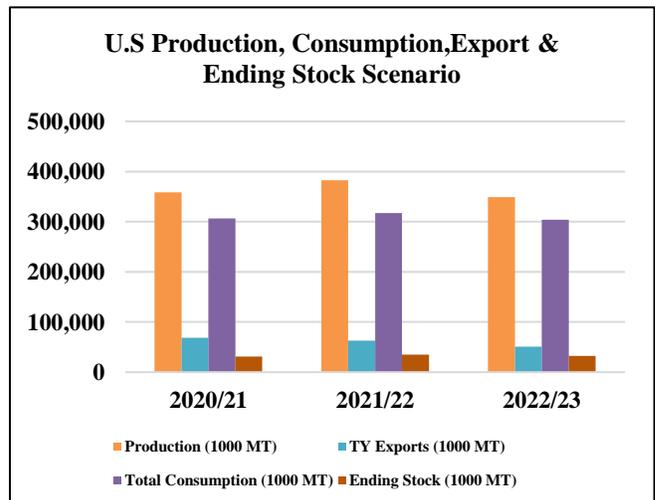
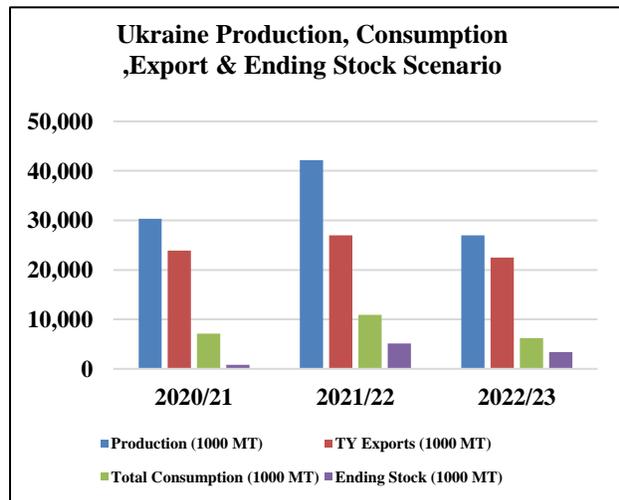
INDIA MAIZE EXPORT SCENARIO:

According to trade sources, India exported 4,95,416.14 MT of maize in January, 2023 for an average FOB of roughly 574.79 USD/MT. In addition, maize was exported to Bangladesh and Nepal in quantities of 1,42,649.35 MT and 29,839.36 MT, respectively, at average FOB of about 400.41 USD/MT and 375.04 USD/MT.

INDIA MAIZE EXPORT PARITY: (USD/MT)



INTERNATIONAL MARKET SCENARIO



As per February,2023 WASDE report, Brazil, Ukraine, Paraguay, Turkey, and Indonesia are expected to export more corn than Argentina. Based on observed shipments to date, Brazil's exports are increased for the marketing year beginning in March 2022, while Argentina's exports are decreased. The EU will import more corn in 2022–2023, somewhat offsetting losses in Indonesia and Malaysia. In comparison to last month, foreign corn ending stocks are down, with decreases for Ukraine and Indonesia partially offsetting rises for Brazil and Canada. With 295.3 million tonnes, global corn ending inventories are down 1.1 million tonnes.

U.S. Maize exports have reached at 15.02 million metric tonnes (MMT) for 2022-23 Marketing Year, with the exports of 0.67 MMT for the period of 16th February 2023 to 23rd February 2023. Exports of 666,400 MT were down 3 percent from the previous week, but up 13 percent from the prior 4-week average. The destinations were primarily to Mexico (338,700 MT), Colombia (126,700 MT), Japan (85,400 MT), Honduras (51,900 MT), and Canada (14,600 MT).

Corn prices on the CBOT decreased by 19.78 USD to 247.82 USD per MT for the February 23' contract as the production is on lower side. This has resulted in decrease of exports from U.S. as there is intense competition from other countries.

Maize CBOT Monthly Futures Price Listing (\$/MT)				
	Contract Month	February 28 ,2023	January 31 ,2023	Change
Corn CBOT Prices	Mar-23	247.82	267.61	-19.78
	May-23	248.12	266.72	-18.60
	Jul-23	244.97	261.90	-16.93
	Sep-23	229.32	238.38	-9.05
	Dec-23	224.30	232.57	-8.27

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