

Maize Monthly Research Report

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April, 2023**REVIEW AND OUTLOOK:**

During the month under review, market showed rangebound trend, however, it is expected that market will show bearish sentiments during the month of April.

Both Davangere and Gulabbagh 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 went up by 12.21 USD to 260.03 USD per MT for the May 23' contract.

OUTLOOK

Prices are expected to remain bearish, due to expected arrivals starting from mid-April.

April, 2023
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

DOMESTIC MARKET SCENARIO
ARRIVALS:

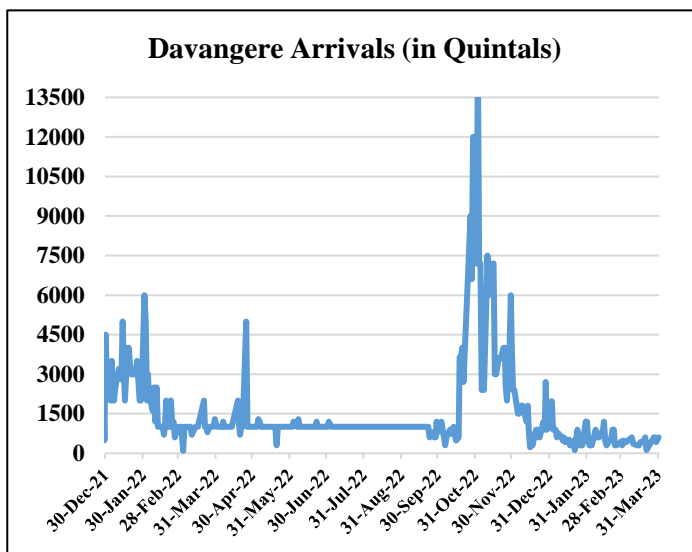
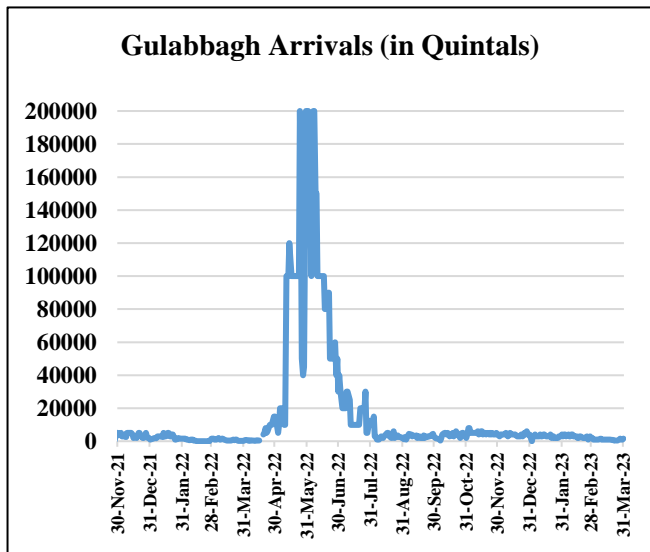
The quantity of arrivals decreased further for the month of March 23' from February 23' amid lull supply. The benchmark market in Davangere received 7,680 quintals in March, 2023 compared to 11,040 quintals overall in February 23'.

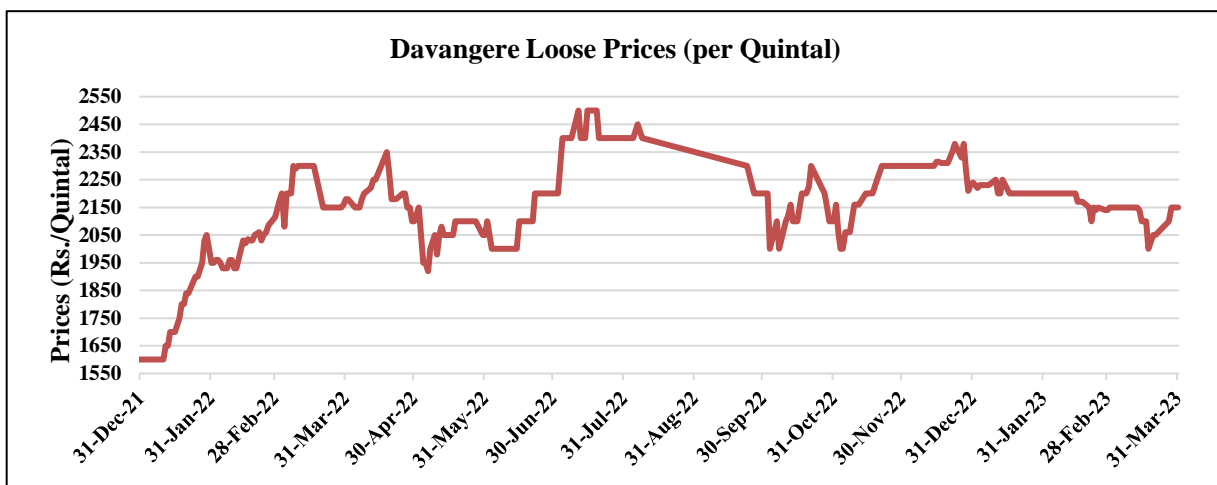
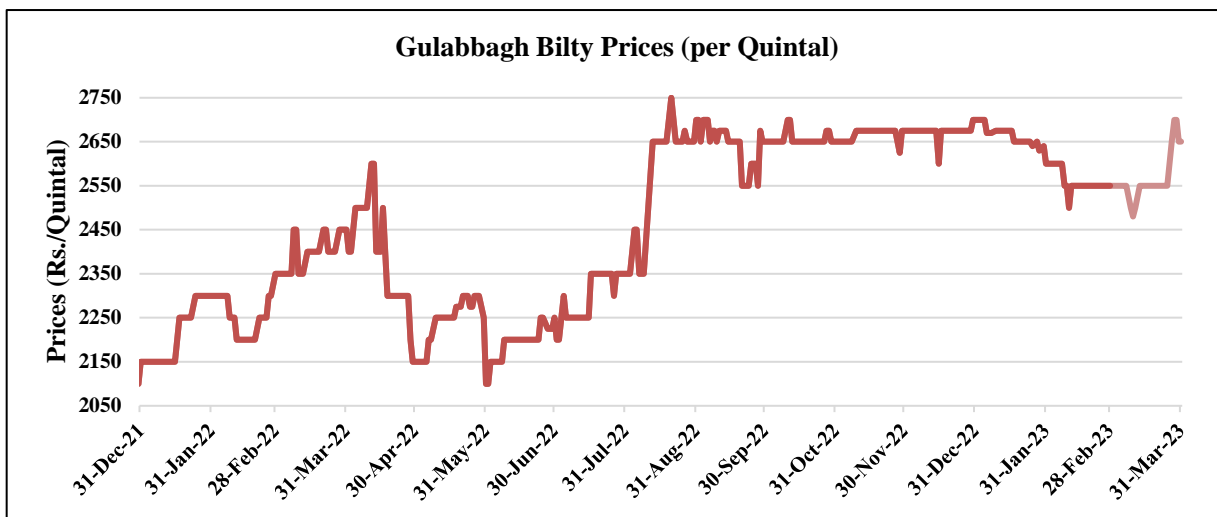
Similarly, a significant decline in the quantity of arrivals have been recorded in Gulabghat market during the month of March, however, new arrivals are expected from the month of April. A total

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of 25,600 quintals arrivals were delivered in March, 23 compared to 68,500 quintals delivered in February 23'.

MONTHLY SPOT PRICE COMPARISON



April, 2023


The monthly average for Maize bilty prices in Gulabbagh ticked up slightly at Rs. 2566.53 per quintal in March, 2023 compared to Rs. 2560 per quintal in February 23'.

Monthly average price for loose Maize in Davangere, Karnataka, was reported marginally down from Rs. 2174 to Rs. 2118.88 per quintal as of March 23'.

INDIA MAIZE TRADE SCENARIO:

During the month under review, the maize traded in a rangebound pattern. However, in Gulabbagh, Naugachia and other markets of Bihar, arrival pressure is expectedly going to increase significantly during the next few weeks and prices might drop tremendously compared to current prevailing prices. Demand is also quite good from poultry and food industry amid ramazan. High number of buying is expected to be observed from millers, stockists, and private players in the upcoming few weeks.

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TECHNICAL ANALYSIS:
Maize – Technical Outlook
Maize Davangere Mandi prices -Monthly time frame
Technical Chart:

Technical Commentary:

- During the month under review, market took support from 25 EMA and closed at 2150 compared to last month's 2140 levels.
- After three months of continuous decline, market rebounded marginally by 0.47 % from last month. However, market made low of 2,000 and a high of 2,150.
- Maize is currently trading above 18, 25 & 50 EMA, indicating firm sentiments.
- RSI is currently above 55, indicating good buying strength and MACD is indicating good momentum.
- 2,000-2,100 is near term support and 2,250-2,300 is near term resistance and market is expected to trade rangebound in the range of 2,000-2,300.

Recommendation-

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

Maize Davangere Mandi Price Outlook (INR./Qtl)	Previous month	Month under review	Next month
	Feb'23	Mar'23	Apr'23

April, 2023

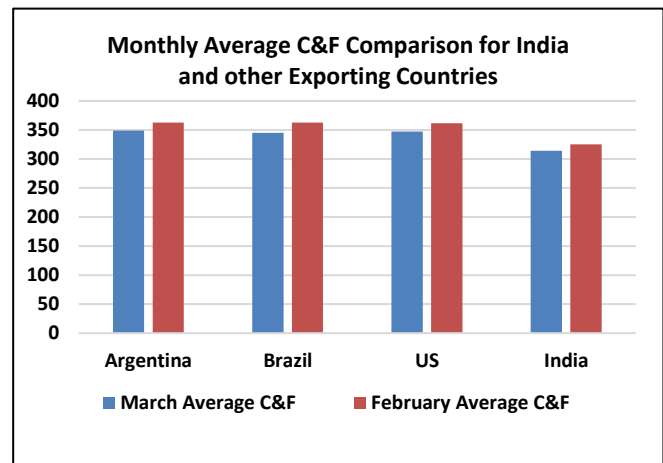
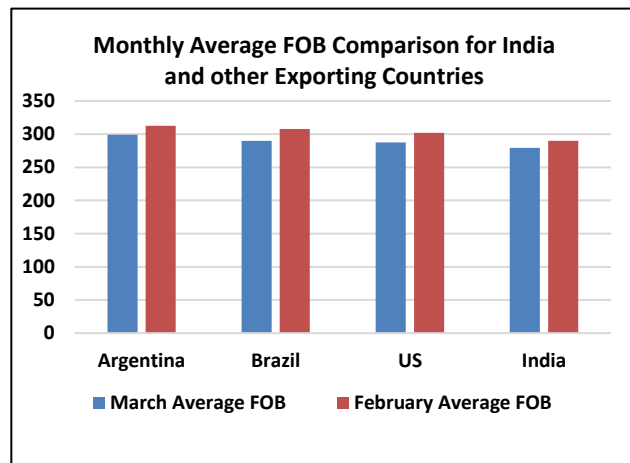
Monthly Average Price	2,100-2,200	2,000-2,150	2050-2200
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Maize Price Outlook for coming month: Davangere Maize mandi prices are currently trading at INR. 2,100/qtl. and are expected to trade range bound in the range of INR 2,050-2,200 in short run.

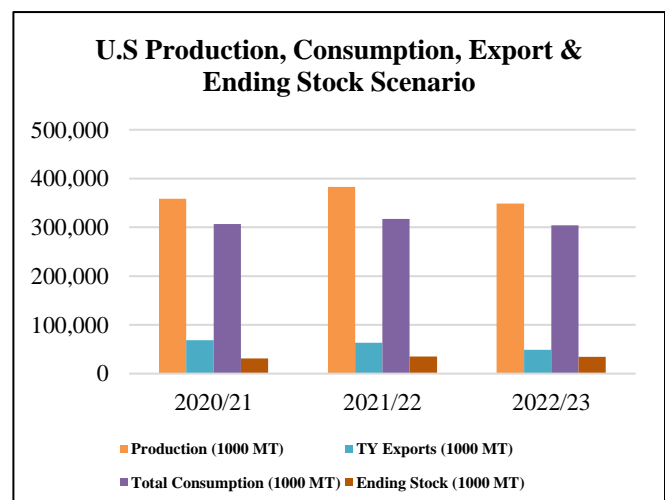
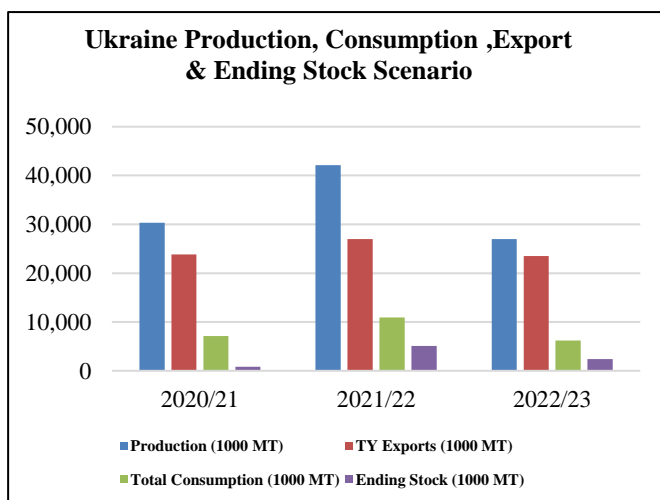
INDIA MAIZE EXPORT SCENARIO:

According to trade sources, India shipped a total of 309,138.86 metric tons of maize in February 2023, with an average free on board (FOB) price of around 303.07 USD per metric ton. India exported maize to Bangladesh and Nepal, 119,274.3 metric tons and 21,999.54 metric tons, respectively, at average FOB prices of roughly 302.71 USD per metric ton and 293.6 USD per metric ton.

INDIA MAIZE EXPORT PARITY: (USD/MT)



INTERNATIONAL MARKET SCENARIO



April, 2023

- According to the latest report, corn exports for March reached 803.219 metric tons, a significant increase of 695.987 metric tons from the previous year's shipment of 107.232 metric tons. In February, exports hit 1.9 million metric tons, meeting the projected level and exceeding last year's shipment of 532,342 metric tons by 1.4 million metric tons. Japan was the primary purchaser, accounting for 23% of the volume, followed by Vietnam (10%), South Korea, and Colombia (9%). China received 8% of the exported volume. Cumulatively, January and February saw shipments of 486,500 metric tons and 70,000 metric tons, respectively.
- As of March 2023, WASDE Report, the upcoming years of 2022/23 will witness significant shifts in global trade, particularly with regards to corn exports. Projections suggest that India, Ukraine, and Paraguay will see increased exports, while Argentina and the United States are expected to experience a reduction in this regard. On the other hand, Turkey, Iran, Malaysia, Chile, Colombia, Egypt, Morocco, Peru, and Taiwan are anticipated to witness a decrease in corn imports. Furthermore, foreign corn ending stocks are expected to decline from the previous month, primarily due to decreases in Ukraine and Brazil, which are partially offset by an increase in India. Overall, global corn ending stocks are projected to increase by 1.2 million tons, with a total of 296.5 million tons.
- In the 2022-23 Marketing Year, U.S. maize exports have reached 20.37 million metric tonnes (MMT), including 11.36 MMT exported from March 23 to March 30, 2023. Exports of 1,136,800 MT were up 70 percent from the previous week and 8 percent from the prior 4-week average. The destinations were primarily to Mexico (461,900 MT), South Korea (197,300 MT), Japan (130,200 MT, including 10,400 MT - late), Saudi Arabia (73,500 MT), and Guatemala (56,400 MT).
- Corn prices on the CBOT went up by 12.21 USD to 260.03 USD per MT for the May 23' contract. 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	March 31 ,2023	February 28 ,2023	Change
Corn CBOT Prices	May-23	260.03	247.82	12.21
	Jul-23	250.38	248.12	2.26
	Sep-23	227.25	244.97	-17.72
	Dec-23	223.02	229.32	-6.30
	Mar-24	225.97	224.30	1.67

April, 2023**Disclaimer**

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