

Maize Monthly Research Report

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REVIEW AND OUTLOOK:

During the month under review, market showed bearish trend, however, it is expected that market might remain like this.

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

Corn prices on the CBOT went down by 9.65 USD to 250.38 USD per MT for the May 23' contract.

OUTLOOK

Prices are expected to remain bearish, due to peak arrival period.

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

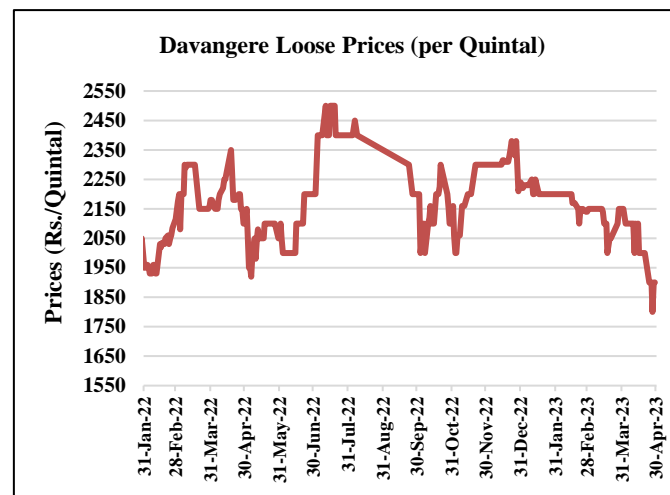
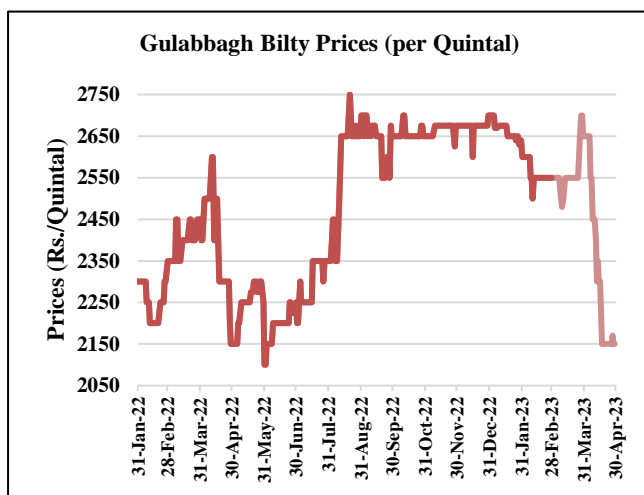
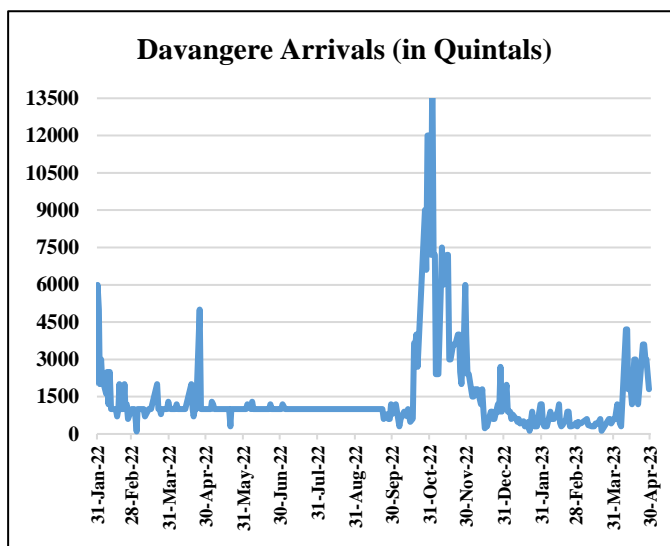
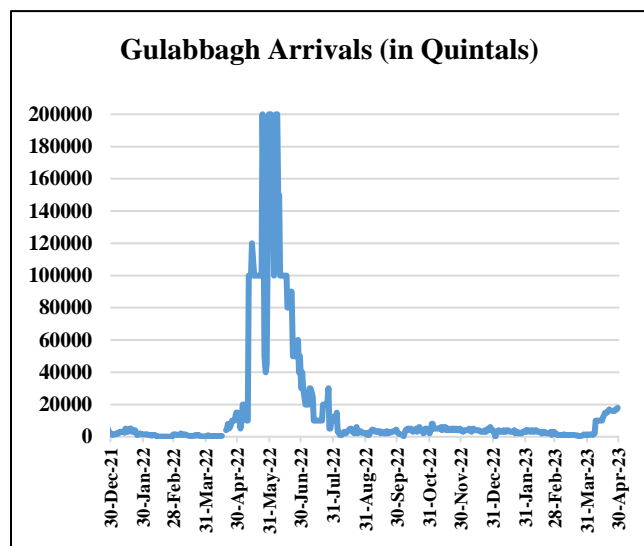
DOMESTIC MARKET SCENARIO
ARRIVALS:

The quantity of arrivals increased tremendously for the month of April 23' from March 23' amid increased arrival pressure of rabi maize. The benchmark market in Davangere received 43920 quintals in April, 2023 compared to 7,680 quintals in March, 2023.

May, 2023

Similarly, a significant increase in the quantity of arrivals have been recorded in Gulabbagh market during the month of April. A total of 258500 quintals of maize were recorded in April'23 compared to 25,600 quintals in March, 23.

MONTHLY SPOT PRICE COMPARISON



The monthly average for Maize bilty prices in Gulabbagh went down amid increased arrival pressure to Rs. 2330 per quintal from Rs. 2566.53 per quintal in March,2023.

Monthly average price for loose Maize in Davangere, Karnataka, went down to Rs. 2005.5 per quintal from Rs. 2118.88 per quintal in March 23'.

INDIA MAIZE TRADE SCENARIO:

During the month under review, prices remained bearish due to increased quantity of arrivals. As per trade sources, there has been a decline in trading activity in specific markets in Bihar,

particularly in Naugachia, due to the prevailing high moisture content of maize. The moisture content, ranging from 16-17%, is attributed to untimely rains. As a result, stockists, millers, and private players are exhibiting hesitancy towards purchasing maize presently. Despite the current low prices of maize in India, there is a possibility of a price upswing when these players resume their buying activities. This could potentially lead to increased price stability in the market. The elevated influx of maize from Bihar has exerted downward pressure on prices in Karnataka and M.P. Consequently, market sentiments are projected to remain subdued over the forthcoming 15-day period.

TECHNICAL ANALYSIS:



May, 2023
Recommendation-

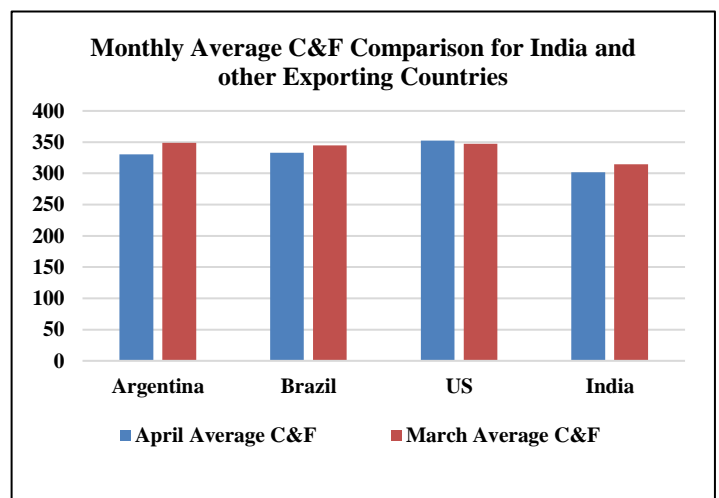
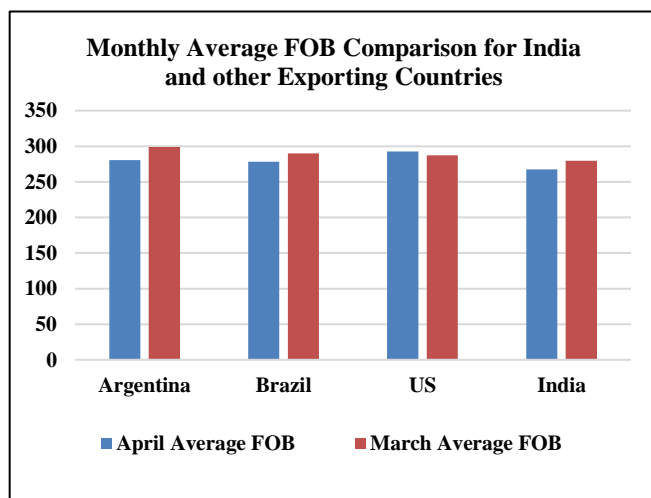
- Market Participants are recommended to sell above 1,800 in short run.

Maize Price Outlook for coming month: Davangere Maize mandi prices are currently trading at INR. 1,900/qtl. and are expected to trade with weak sentiments in the range of INR 1,700-2,100 in short run.

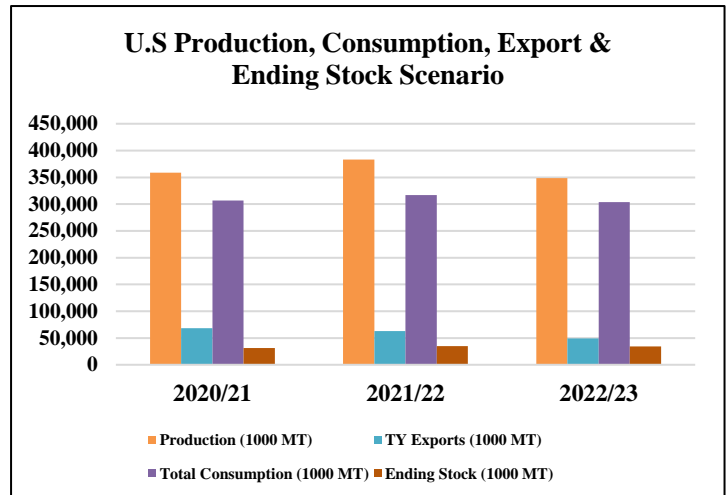
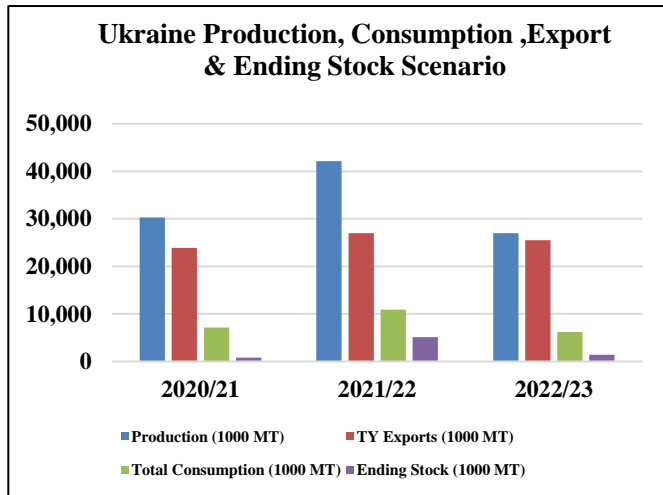
Maize Davangere Mandi Price Outlook (INR./Qtl)	Previous month Mar'23	Month under review Apr'23	Next month May'23
Monthly Average Price	2,118.88	2,005.5	1,700-2,100

INDIA MAIZE EXPORT SCENARIO:

According to trade sources, India exported a total of 300,220.11 metric tons of maize in March 2023, achieving an average free on board (FOB) price of approximately 290.89 USD per metric ton. Bangladesh and Nepal were the primary destinations for India's maize exports, receiving 138,514.54 metric tons and 10,991.92 metric tons, respectively, at average FOB prices of roughly 295.76 USD per metric ton and 294.79 USD per metric ton.

INDIA MAIZE EXPORT PARITY: (USD/MT)


INTERNATIONAL MARKET SCENARIO



- As per trade sources, the forecast for Argentina's present corn crop may undergo another cut, falling below the previously estimated 36 million tonnes, due to the enduring effects of a severe drought. Argentina is a significant agricultural player in South America and is the third-largest exporter of corn globally.
- On 4th May, 2023, a rare cargo of 55,000 mt South African corn arrived at Machong port, surpassing all previous imports from that origin to China, as per trade sources. The cargo was booked a month or two ago and was deemed attractive for shipment dates, although South American corn is currently winning the competition. South Africa was approved for corn imports by China years ago, but only 37,800 mt was imported in the past decade. State company Cofco held a ceremony to mark the occasion, and more such shipments can be expected as Cofco has signed a yearly committed volume with South Africa. Additionally, China has widened its list of approved import origins, including Brazil, from which 3.8 million mt of corn was imported between November 2022 and February 2023. South Africa expects a bumper corn crop of 15.89 million mt in 2023/24 MY, 12% higher than the five-year average result.
- As per April WASDE report, this month's 2022/23 U.S. corn outlook is for reductions to imports and food, seed, and industrial (FSI) use, with unchanged ending stocks. Corn imports are lowered 10 million bushels based on observed trade to date. Feed and residual use is unchanged at 5.275 billion based on indicated disappearance during the December-February quarter. FSI is lowered 10 million bushels reflecting cuts to corn used for glucose and dextrose and starch. With supply and use falling by the same amount, ending stocks

May, 2023

are unchanged at 1.342 billion bushels. The season-average farm price is unchanged at \$6.60 per bushel. Foreign corn production is forecast down as cuts for Argentina, the EU, Serbia, and Uruguay are partially offset by an increase for Russia. For Argentina, production is lowered as continued heat during March diminishes yield prospects for late-planted corn, despite locally beneficial precipitation during the month. EU corn production is reduced, mostly reflecting declines for Hungary, Italy, and Bulgaria that are partly offset by increases for Germany and Poland. Russia corn production is higher reflecting increases to both area and yield. Foreign barley production is higher on an increase for the EU.

- Corn prices on the CBOT went down by 9.65 USD to 250.38 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	April 28 ,2023	March 31 ,2023	Change
Corn CBOT Prices	May-23	250.38	260.03	-9.65
	Jul-23	230.30	250.38	-20.08
	Sep-23	208.16	227.25	-19.09
	Dec-23	207.77	223.02	-15.25
	Mar-24	211.90	225.97	-14.07

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