

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

A weak sentiment featured in most of Maize cash market during the week on gradually increasing new Rabi crop supplies.

At bench mark Gulabghat market, the average weekly prices fell to Rs. 2,250 per quintal from previous week's Rs. 2,325 per quintal.

Domestic demand from feed manufacturers reportedly remained slightly slow amid expectation of further easing in prices on increasing arrivals in coming days. However, a good demand from neighbouring countries like Bangladesh particularly for starch quality Maize is restricting any major decline in prices.

In International market Corn continued to maintain its strong position on CBOT.

Outlook:

For upcoming week Maize is expected to trade sideways with weak bias on increasing Rabi supplies.

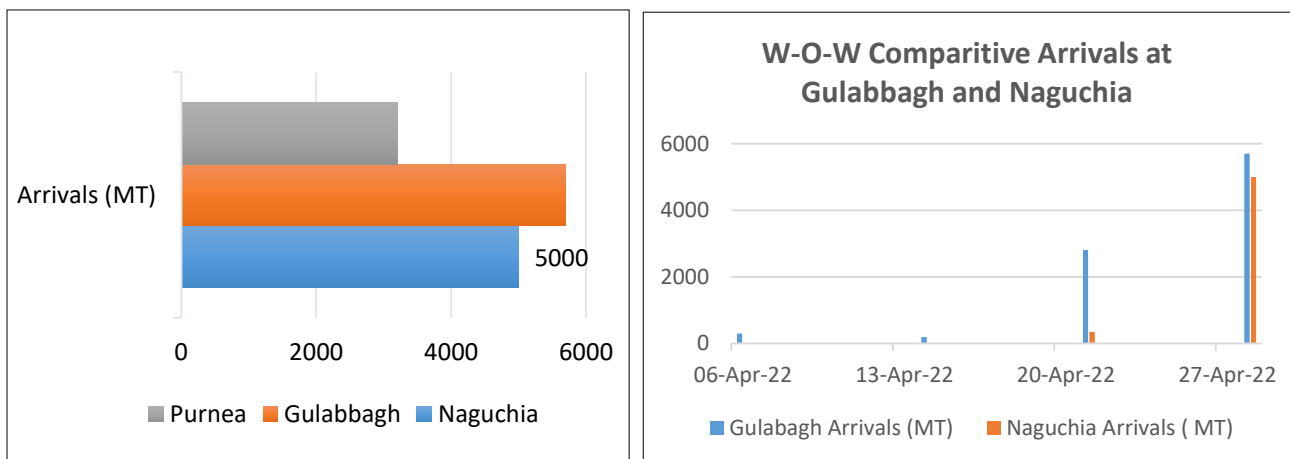
DOMESTIC SCENARIO

Rabi Maize Harvesting

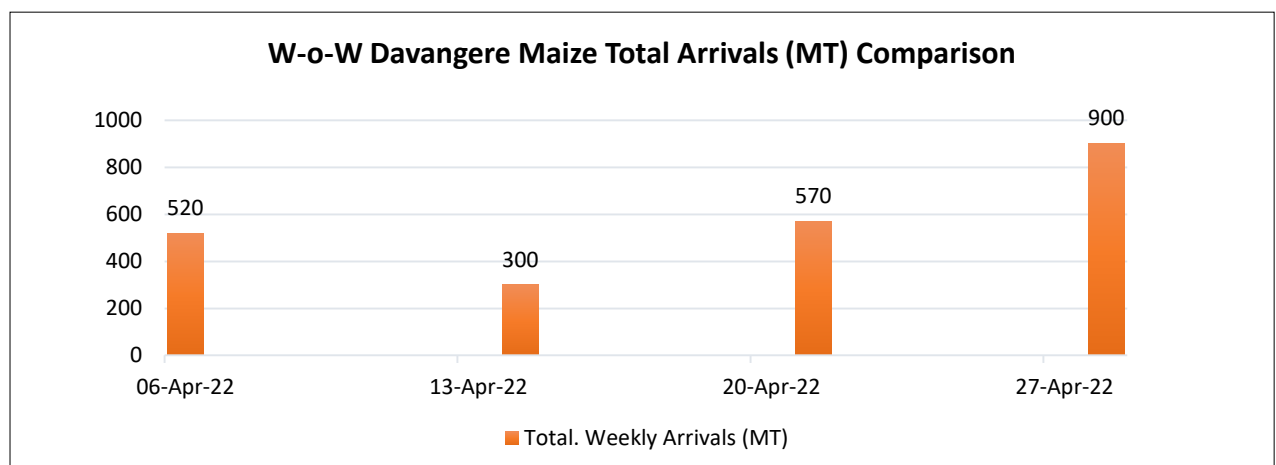
As per the sources more than 40 % of the Rabi Maize crop has been harvested in Bihar and quality of the harvested crop said to be fair as of now. In U.P also harvesting is progressing well and with a good pace. The quality of the harvested Maize in U.P is reportedly fair.

Although harvesting of Rabi Maize this year has been delayed due to late sowing but in the current juncture it is able to create supply pressure in the market. Also, due to higher maize prices this season, farmers are more inclined to offload their produce in the market. So, it is very likely that this season there would be uninterrupted or regular supplies in markets.

Spot Market Supply and Arrivals



A good pace of arrivals is reported with start of the week in the key cash market of Bihar. Maximum arrivals were recorded at Gulabghagh market where the total arrivals were registered at 5,700 MT as compared to 2,800 MT during the past week. Whereas at Naguchia, total arrivals were registered at 5,000 MT which was well above the previous week's 340 MT.

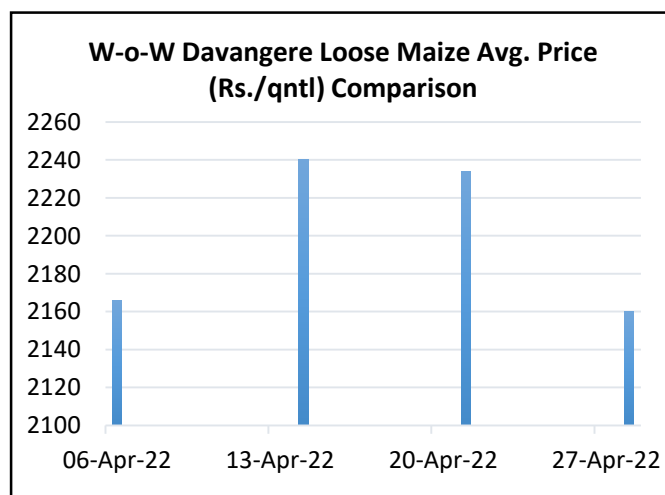
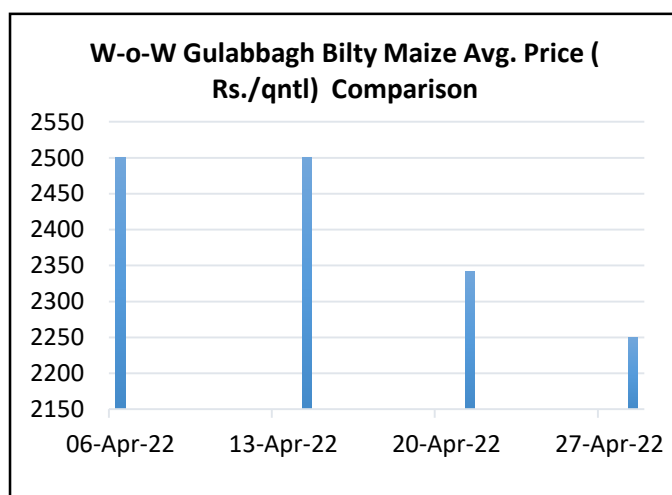


With the increasing pace of harvest and supplies of Rabi Maize in Bihar and U.P, overall supplies are also improving in southern states and we expect that further the arrivals would further increase in coming week at various cash markets in India. On the other hand, previous year's stocks with farmers and traders are also seen coming to the market, adding to the overall supplies.

Spot Price

Spot prices at almost all the major spot markets fell on the account of increasing arrivals throughout the week.

Maize(Corn)Weekly Prices:						
Market	Grade	29-Apr-22	22-Apr-22	29-Mar-22	28-Apr-21	29-Apr-20
Naugachia	Bilty	2150	2350	2450	1450	Closed
Delhi	Hybrid Maize (U.P.)	2350	2550	2500	Closed	Closed
Davangere	Loose	2100	2180	2150	1610	1300
Shimoga	Bilty	NA	2160	NA	1650	1450
Ranebennur	Bilty	NA	2400	NA	NA	NA
Bagalkot	Hybrid/Local	2220	2290	2220	1575	1305
Gadag	Local	1980	1855	NA	NA	1375
Nizamabad	Bilty	2250	2250	2325	Closed	Closed
Khanna	Bilty	2410	2500	2380	1600	NA
Sangli	Feed	2439	2503	2388	1750	NA
Ahmedabad	Feed	2500	2525	2525	Closed	Closed
	Starch	2500	2540	2525	Closed	Closed



Maize prices featured a steep fall in prices from mid-April onwards in various cash markets. Bench mark Gulabghat market in Bihar featured a 4% fall in prices (avg. weekly basis) while in Davangere, Karnataka average weekly prices fell by 3% respectively.

During the coming week, further decline is likely in prices across the different spot markets amid increasing arrivals and expected slowdown in domestic feed demand.

Domestic Demand and Trade

Maize sourced from Bihar is being supplied to Kolkata and U.P for poultry and Cattle feed purpose respectively. Gujarat and Maharashtra are also buying Maize for starch production sourced from Bihar. Delivery rate for U.P for Maize sourced from Bihar happens to be between 2,400 to 2,450 Rs. per quintal.

Exports

As per the sources during month of April 22, around 1,24,100 MT of Maize vessels were loaded for exports, out of which around 85,140 MT was loaded during previous week. Maximum loading took place at Vizag port.

There is continuous demand for Maize from neighboring countries like Bangladesh and Vietnam. Maize is being sourced from Bihar to fulfill the Maize demand from Bangladesh and Vietnam.

After observing ongoing international demand, volume of exports and the seasonality, on an average we expect approximately 2,00,000 MT Maize exports during April '22.

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.76.61)				
	Argentina	Brazil	US	India
FOB	314.00	352.00	356.00	320.75
C&F	364.00	407.00	416.00	355.75

It is expected that Indian Maize exports is likely to maintain a clear parity with other exporting countries. Easing domestic prices on rising Rabi supplies is expected to keep the FOB as well as the C&F prices of India at lower side moving ahead which would keep the demand for Indian Maize at higher side amid cheaper prices compared to other countries. Currently, Argentina remains a close competitor of India.

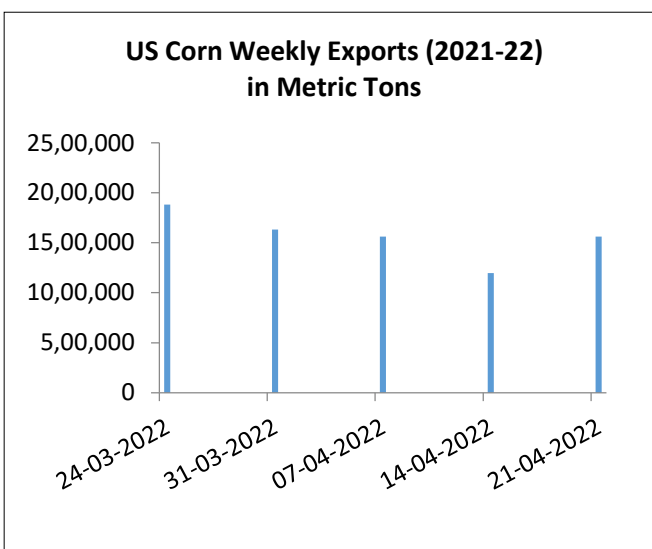
INTERNATIONAL SCENARIO

According to sources there has been a continuous dry weather over Brazil. This dry weather is expected to affect the second crop production in Brazil. Also in U.S corn planting is moving ahead with very slow pace as compared to normal. As per U.S Corn planting report as of 25th April 2022, corn planting stood at 7%, which is lower by 9% as compared to last year and lower by 8% as compared to four year's average as well.

All these worries are leading buyers over the world to buy Corn crop prior to that a severe shortage developing around globe. As a result Corn on CBOT rose by 6.6 USD to 321.25 USD per MT for May'22 contract, as compared to previous week. In near future it is expected that due to speculations related to tight global supplies and increased tensions related to Ukraine-Russia situation, worsening the worldwide corn supply, Corn on CBOT would remain firm.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28-Apr-22	21-Apr-22	Change
Corn CBOT Prices	May-22	321.25	314.65	6.60
	July-22	320.26	313.08	7.18
	Sep-22	303.04	297.43	5.61
	Dec-22	295.95	290.83	5.12

On the other hand U.S exports over previous weeks have been lower. U.S. Maize exports have reached at 38.13 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.56 MMT for the period of 15th April 2022 – 21st April 2022, these exports were up by 31 percent from the previous week and remained unchanged for prior 4-week average, to the destinations like Japan (385,600 MT), Mexico (337,800 MT), China (266,200 MT), Colombia (73,900 MT), and South Korea (60,100 MT). Supply chain disruption and lockdown situations in China, along with War related tensions in Europe can be held accountable for reduced U.S Corn supplies.



Rising crude oil prices around the globe are adding to restrained supply of Corn overseas by raising C&F rates for the exports.

DOMESTIC OUTLOOK

AgriWatch expects, in near term market would trade with sideways to weak sentiments, with expectation of increasing arrivals of Rabi Maize from Bihar and U.P. However, ongoing international Maize crisis is expected to provide support to domestic Maize markets as well.

Any further decline in prices by 50-100 Rs. per quintal would give a buying opportunity with expectation of a good return in medium to long term.

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