

Maize-Weekly Fundamental Report

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Domestic Outlook

WEEKLY DIGEST AND OUTLOOK

A weak sentiment featured in most of the Maize cash market during the week amid decent new Rabi crop supplies.

At bench mark Gulabghat market, the average weekly prices fell to Rs. 2,150 per quintal from previous week's Rs. 2,250 per quintal.

Meanwhile, the domestic demand from both feed manufacturers and starch industry reportedly remained good. Besides, 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 a sideways trend on CBOT.

Outlook:

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

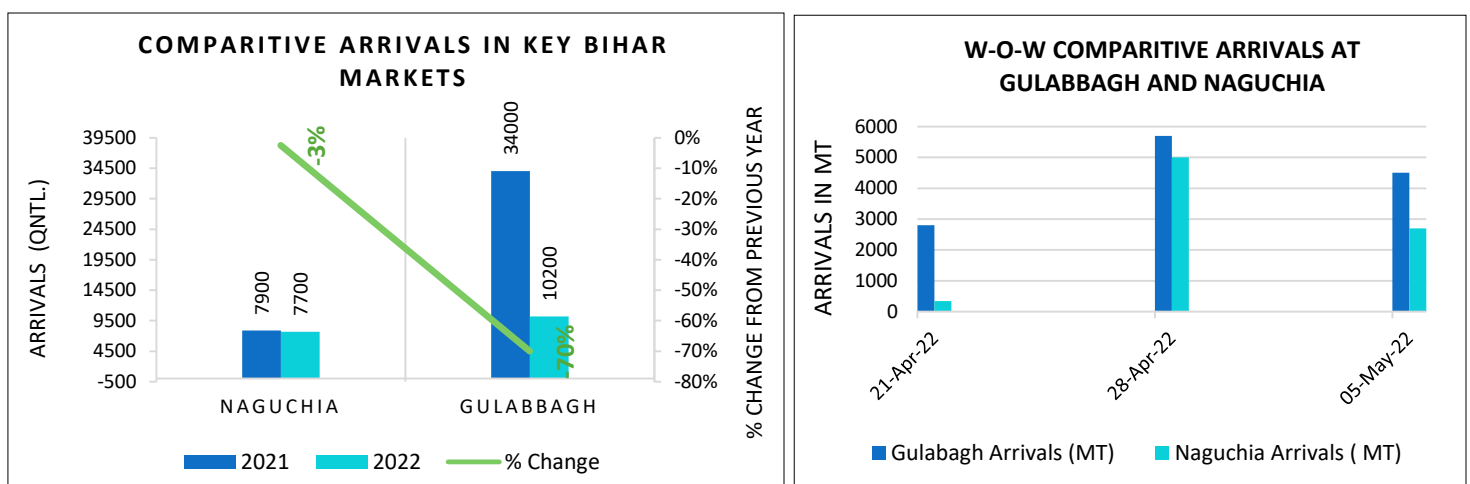
DOMESTIC SCENARIO

Rabi Maize Harvesting

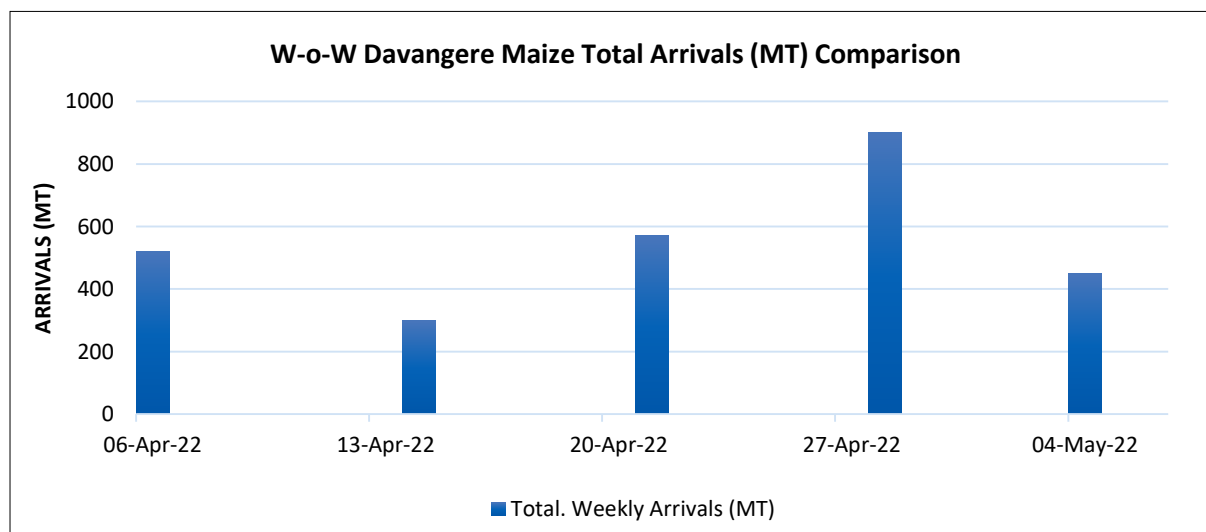
As per the sources more than 50 % of the Rabi Maize crop has been harvested in Bihar and quality of the harvested crop seems to be fair enough. Sources have also reported around 30-40% harvest of Rabi Maize.

It's expected that by the end of May month Rabi Maize harvesting would be wrapped up.

New Rabi Arrivals/Supply in Bihar Markets



It was anticipated that Rabi new crop arrivals will increase from April end onwards or by 1st week on May. However, due to Eid celebrations, the trade activity remained subdued and majority of markets witnessed less arrivals during the period. Arrivals in southern markets were also less due to the celebration. But moving ahead it is likely that arrivals will increase in the markets especially in the key markets of Bihar.

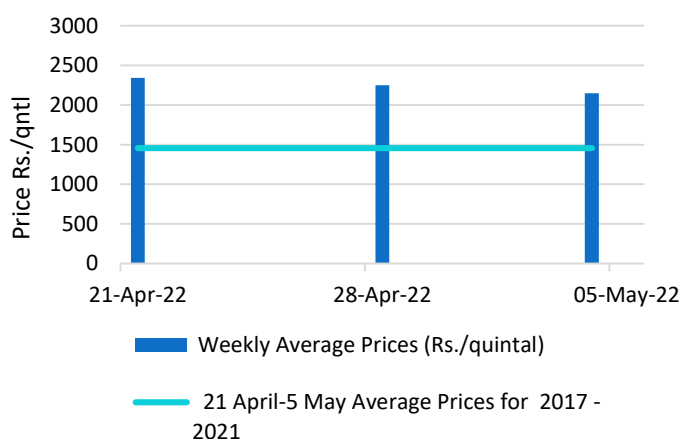


Spot Price

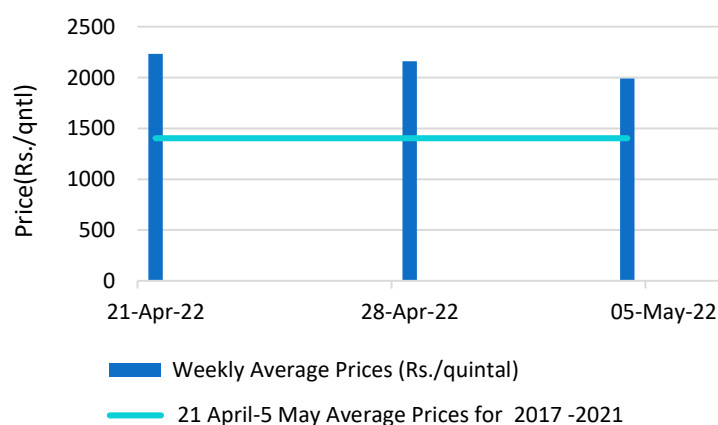
Spot prices at almost all the major spot markets fell by Rs. 50 to 100 per quintal amid expectation of increasing new Rabi Maize arrivals in coming days.

Maize (Corn) Weekly Prices:						
Market	Grade	06-May-22	29-Apr-22	05-Apr-22	05-May-21	06-May-20
Naugachia	Bilty	2175	2150	2300	1450	Closed
Delhi	Hybrid Maize (U.P.)	2330	2350	2550	Closed	1400
Davangere	Loose	1920	2100	2150	Closed	Closed
Shimoga	Bilty	NA	2180	Closed	Closed	1600
Ranebennur	Bilty	NA	NA	2350	Closed	1420
Bagalkot	Hybrid/Local	2150	2220	2225	Closed	Closed
Gadag	Local	2165	NA	1850	1210	1370
Nizamabad	Bilty	2100	2250	Closed	Closed	Closed
Khanna	Bilty	2350	2410	2450	Closed	1400
Sangli	Feed	2401	2439	2495	1729	Closed
Ahmedabad	Feed	2460	2500	2450	Closed	1500
	Starch	2500	2500	2525	Closed	1300

W-O-W Gulabghat Bilty Maize Avg. Prices (Rs./qntl) Comparison



W-O-W Davangere Loose Maize Avg. Prices (Rs./qntl) Comparison



Maize prices featured a gradual 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 8% respectively as market expecting further increase in the arrivals of new crop in upcoming week.

Despite, recent decline in prices in key markets, overall prices still remain well above the 5 years average for the current time period, on the account of strong international demand and a regular domestic demand. Overall in coming week too we are expecting that prices will hold above the 5 years average despite expectation of increasing new Rabi arrivals.

Domestic Demand and Trade

Maize sourced from Bihar is being supplied to U.P and M.P for poultry and Cattle feed purpose. Gujarat and M.P are also buying Maize for starch between 2,200 - 2,400 Rs. per quintal sourced from Bihar. Maize delivery rate for U.P sourced from Bihar are between 2,400 to 2,450 Rs. per quintal.

Parity/Disparity of Bihar Maize to Different Locations (Prices –Rs. /Quintal)

Supply destination	Delivered Prices at consuming centers	Maize Local Prices at Destination	Parity/Disparity
U.P (Kanpur)	2400	2425	+25.5
Maharashtra (Sangli)	2450	2415	-35.0
M.P (Chhindwara)-New Maize	2425	2400	-25.0
M.P (Chhindwara)- Old Maize	2380	2400	+20.0

Above table depicts the price parity or disparity of Maize for current supply destinations sourced from Bihar. As depicted from above table we can infer that there exists a clear parity for Bihar Maize to the U.P (Kanpur) and old Maize M.P. whereas, for new Maize supply to M.P and Maharashtra there exists a disparity for Bihar sourced Maize because of higher transportation cost to these destinations.

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, Nepal 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.

As per the source 26,800 MT Maize Vessel HUI SHUN NO1. Has completed loading at KRISHNAPATNAM port.

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.76.52)				
	Argentina	Brazil	US	India
FOB	315.50	346.50	359.00	298.97
C&F	365.50	401.50	419.00	333.97

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. With Thailand deciding to uplift the restrictions on imports of Maize and Wheat to fulfill its feed demand, all the exporting countries would be under pressure of fulfilling the export requirements.

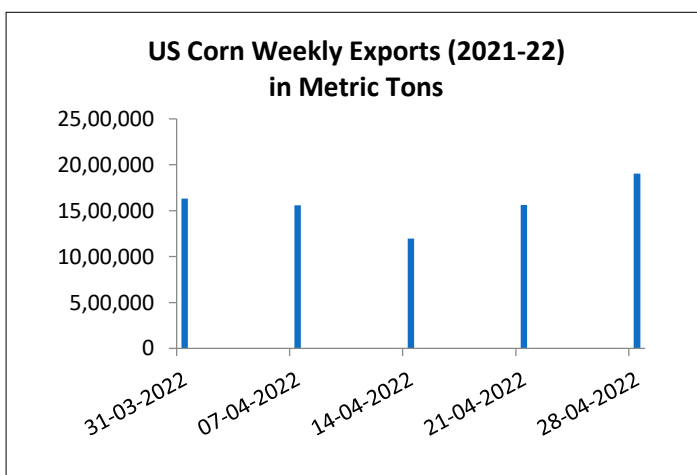
INTERNATIONAL SCENARIO

As per U.S Corn planting report as of 2nd May 2022, corn planting stood at 14%, which is lower by 28% as compared to last year and lower by 9% as compared to four year's average as well.

Corn on CBOT fell by 4.83 USD to 316.42 USD per MT for May'22 contract, as compared to previous week. However, in near future it is expected that due to speculations related to tight global supplies and sustaining international tensions related, it is expected that Corn on CBOT would trade with strong bias.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	05-May-22	28-Apr-22	Change
Corn CBOT Prices	May-22	316.42	321.25	-4.83
	July-22	313.96	320.26	-6.30
	Sep-22	297.72	303.04	-5.32
	Dec-22	290.73	295.95	-5.22

U.S. Maize exports have reached at 40.03 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.90 MMT for the period of 22nd April 2022 – 28th April 2022, these exports were up by 22 percent from the previous week and up by 28 percent 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).



In current situation international buyers are very interested in buying and stocking the Maize prior to any innervation in world global supplies of Corn, hence there are expectation of continuous international demand to sustain in the international market.

DOMESTIC OUTLOOK

AgriWatch expects, in near term market would trade range bound with weak bias amid expectation of increasing arrivals of Rabi Maize from Bihar and U.P. However, ongoing strong demand from domestic feed industry as well as stockiest and international Maize buyers is expected to support the Maize market.

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

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