

# Maize-Weekly Fundamental Report

## Contents

Weekly Digest and Outlook

Domestic Scenario

- Rabi Crop Harvesting
- Spot Market Supply and Arrivals
- Spot Price
- Domestic demand and Trade
- Exports

International Scenario

Domestic Outlook

## WEEKLY DIGEST AND OUTLOOK

A firm sentiment featured in most of the Maize cash market during the week under review amid strong demand from domestic as well as from neighboring countries.

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

Meanwhile, the domestic demand from feed manufacturers are reportedly good. Besides, a good demand from neighbouring countries like Bangladesh particularly for starch quality Maize which is supporting the prices.

In International market Corn continued to maintain a sideways trend on CBOT.

**Outlook:**

AgriWatch expects, in near term market would trade range bound with firm bias amid strong domestic as well as international demand even though new Rabi Maize arrivals would be being delivered to Market.

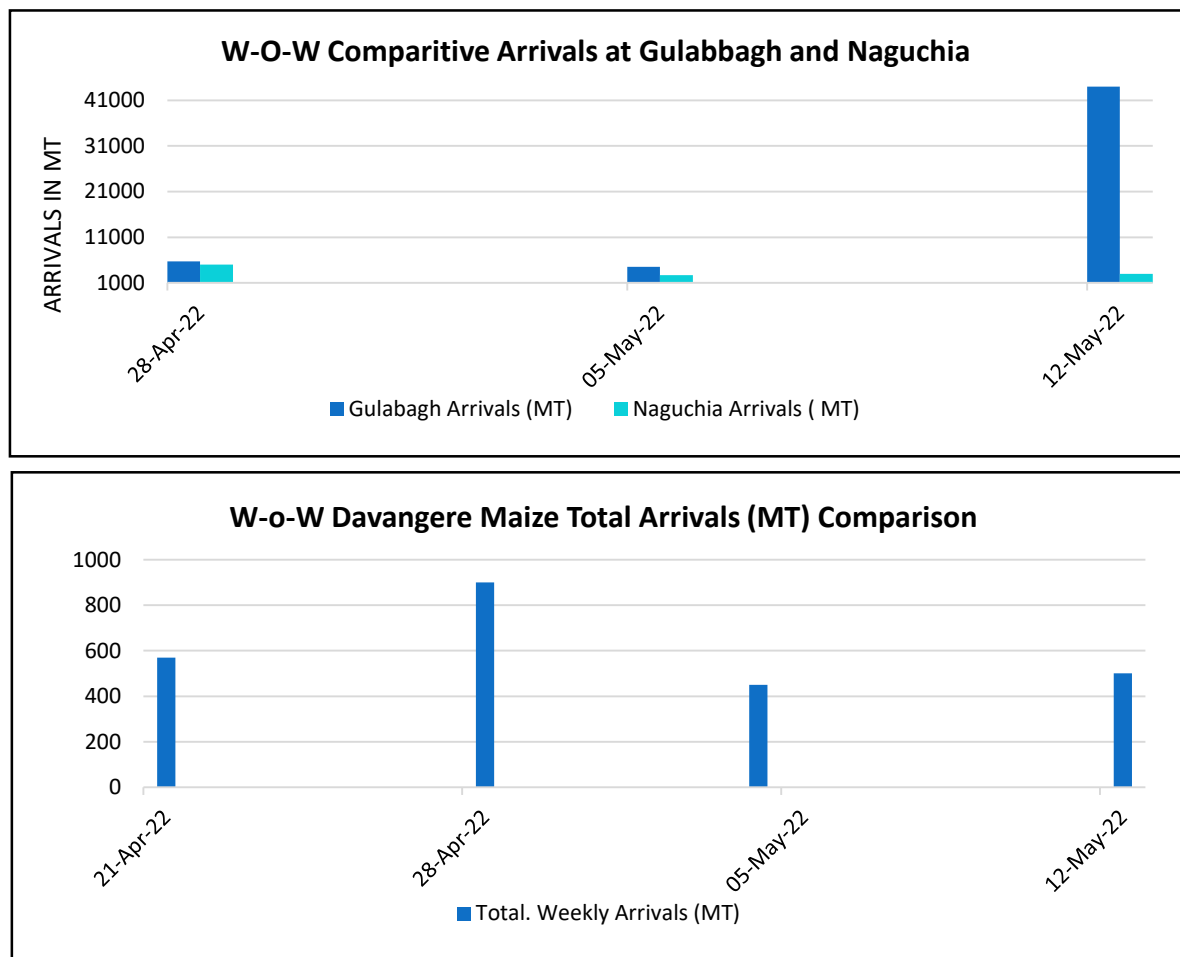
## DOMESTIC SCENARIO

### Rabi Maize Harvesting

As per the sources harvesting of the Rabi Maize crop has been almost completed in Bihar. Sources have also reported that around 70% of Rabi Maize has been harvested in U.P.

It's expected that by the last week of May month Rabi Maize harvesting would be wrapped up. Due to divergence of labors into the harvesting and post-harvest activities involving other crops and harsh summers, harvesting of corn has been delayed a bit this season and consequently the supply in the markets.

### New Rabi Arrivals/Supply in Bihar Markets



As per our expectation last week, arrivals in major spot markets have improved compared to the previous weeks, especially in the key markets of Bihar. Gulabagh a major, spot market having predominant Rabi Maize arrivals, had a jump of 39,500 MT past week as compared to the week before that. However, Naguchia, Bihar and Davangere, Karnataka displayed a marginal increase in the arrivals during week under review.

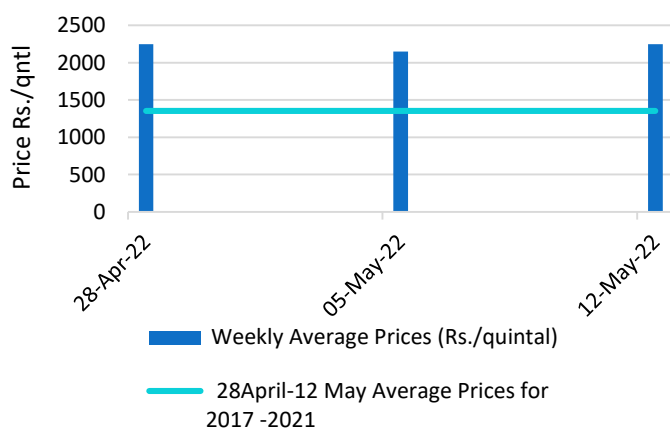
We further expect a gradual increase in the arrivals in coming the week.

### Spot Price

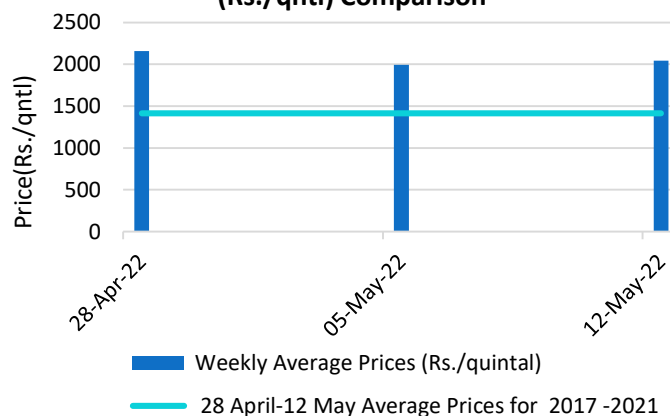
Spot prices at almost all the major spot markets spiked by Rs. 50 to 150 per quintal amid strong demand from domestic front as well as from neighboring countries.

Maize (Corn) Weekly Prices:						
Market	Grade	13-May-22	06-May-22	12-Apr-22	12-May-21	13-May-20
Naugachia	Bilty	2250	2175	2450	1500	Closed
Delhi	Hybrid Maize (U.P.)	2450	2330	2550	Closed	1360
Davangere	Loose	2050	1920	2250	Closed	1300
Shimoga	Bilty	2160	NA	2160	Closed	1300
Ranebennur	Bilty	NA	NA	2500	Closed	1400
Bagalkot	Hybrid/Local	NA	2120	2290	Closed	Closed
Gadag	Local	NA	2165	2125	Closed	1350
Nizamabad	Bilty	2150	2100	2450	Closed	Closed
Khanna	Bilty	2380	2350	2480	Closed	1300
Sangli	Feed	2405	2401	2457	1759	Closed
Ahmedabad	Feed	2600	2460	2600	Closed	Closed
	Starch	2600	2500	2600	Closed	Closed

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



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



Maize prices featured a gradual increase from mid-April onwards in various cash markets. Bench mark Gulabgach market in Bihar featured a 8% rise in prices (avg. weekly basis) while in Davangere, Karnataka average weekly prices rose by 3% respectively as market sensed a possible shortage of Maize being built in coming future due to strong on going demand of Maize from neighboring countries.

Overall Maize prices still remained 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, along with the possibility of increase in week over week average of price.

## Domestic Demand and Trade

Maize sourced from Bihar is being supplied to U.P, Maharashtra, M.P as well as Tamil Nadu for poultry and Cattle feed purpose. In Indore, M.P buyers were buying New Maize at the rates between Rs. 2,300 - 2,400 per quintal sourced from Bihar. Maize delivery rate for Tamil Nadu and Maharashtra sourced from Bihar varied between Rs. 2,450 to 2,500 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	2500	+100.5
Maharashtra	2450	2400	-50.00
Tamil Nadu	2500	2250	-250.0

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) whereas, for new Maize supply to M.P and Maharashtra there exists a disparity for Bihar Maize because of higher transportation cost to these destinations. However, Tamil Nadu buyers are still buying Maize sourced from Bihar to fulfill local demand amid shortage of Maize supply from local sellers and no availability from Karnataka, there are indications of Tamil Nadu's feed demand being shifted to A.P due to unavailability from regular 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. Further, it is expected that Indian exports would continue to remain strong on the account of high requirement of Corn in the international feed market.

### Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.77.36)

	Argentina	Brazil	US	India
<b>FOB</b>	298.00	310.00	335.00	296.10
<b>C&amp;F</b>	348.00	365.00	395.00	331.10

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.

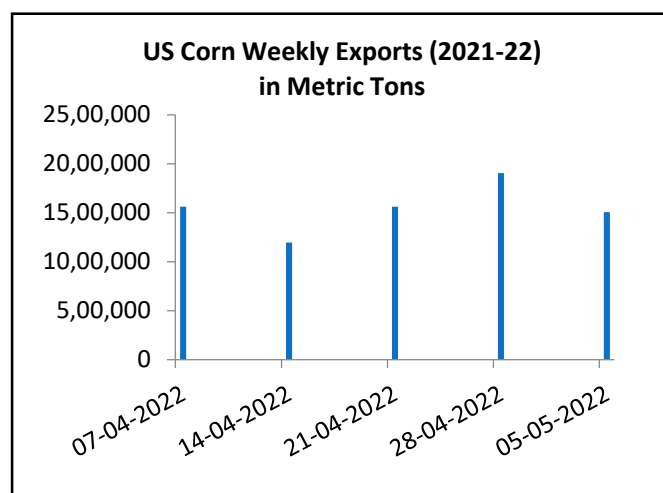
## INTERNATIONAL SCENARIO

As per U.S Corn planting report as of 9th May 2022, corn planting stood at 22%, which is lower by 42% as compared to last year and lower by 28% as compared to four year's average as well. It is expected that forecasted heat wave across the Corn planting belt in U.S.A would improve the Corn planting pace in U.S.A.

Corn on CBOT rose by 3.84 USD to 320.26 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 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	12-May-22	05-May-22	Change
Corn CBOT Prices	May-22	320.26	316.42	3.84
	July-22	311.60	313.96	-2.36
	Sep-22	300.68	297.72	2.96
	Dec-22	296.44	290.73	5.71

U.S. Maize exports have reached at 41.54 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.50 MMT for the period of 29<sup>th</sup> April 2022 – 05<sup>th</sup> May 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 Mexico (349,000 MT), Japan (320,600 MT), China (260,200 MT), South Korea (131,300 MT), and Colombia (125,600 MT).



As the ongoing condition of Brazil Corn crop, Brazilian Corn production is expected to be lower by around 35%. Ukraine has diverted it's Corn cargos to Romania port for supply to different export destinations. Also, in U.S although Corn planting pace has improved as compared to previous week, still it's much slower as compared to normal planting pace.

Along with this international poultry demand for feed Corn continues to remain strong. To sum up the ongoing scenario indicates tight international demand-supply situation with respect to world Corn trade.

## DOMESTIC OUTLOOK

AgriWatch expects, in near term market would trade range bound with sideways to firm bias amid strong domestic as well as international demand even though New Rabi Maize arrivals would be being delivered to Market. Current poultry prices are very soar in domestic as well as international market and Corn happens to be most favored feed ingredient option.

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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