

Maize-Weekly Fundamental Report

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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 neighbouring countries in northern markets.

At bench mark Gulabbagh market, the average weekly prices rose to Rs. 2,300 per quintal from previous week's Rs. 2,200 per quintal.

Meanwhile, the domestic demand from feed manufacturers are reportedly good. However, demand was sluggish in the southern markets. Besides, 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.

WEATHER SCENARIO

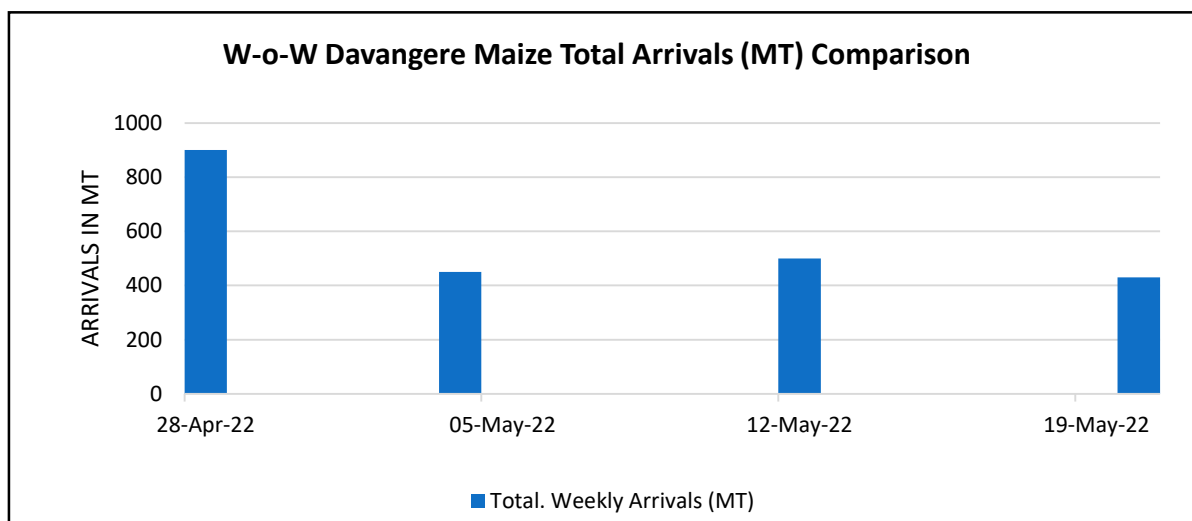
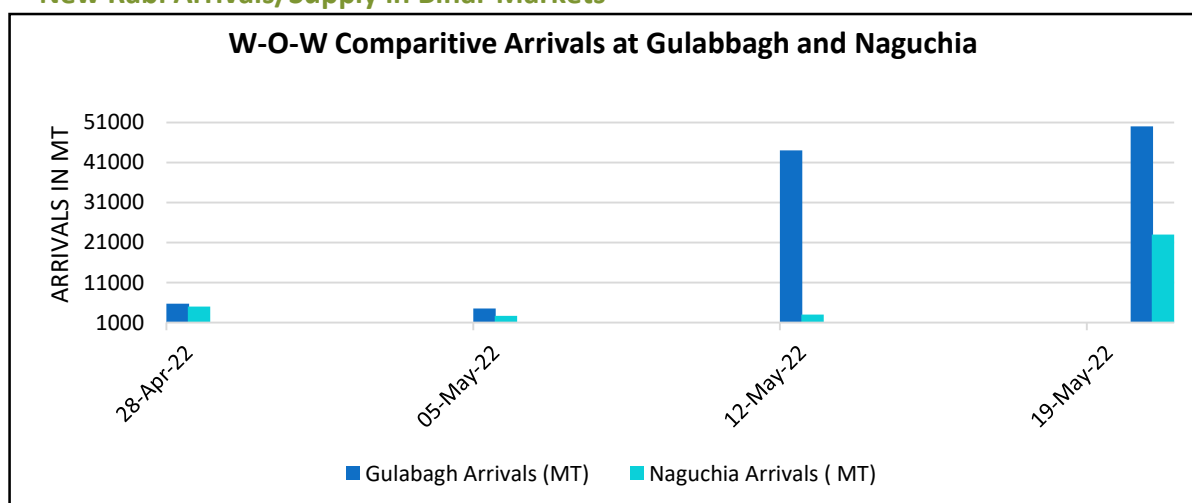
Various regions of Andhra Pradesh, Karnataka and Telengana have received heavy rainfalls during the week under review. Given scenario would trigger early field preparation along with early sowing once the weather get clears especially over AP and Telangana. However, the scenario on Kharif planting would get clear in coming days. Progress of monsoon after the onset will also remain important to watch moving ahead.

DOMESTIC SCENARIO

Rabi Maize Harvesting

On the account of unexpected pre monsoon showers in northern districts of Bihar with the start of week, ongoing Rabi Maize harvesting has been interrupted and now it's expected that completion of harvesting in Bihar and U.P would be delayed a bit as compared to our previous expectations.

New Rabi Arrivals/Supply in Bihar Markets



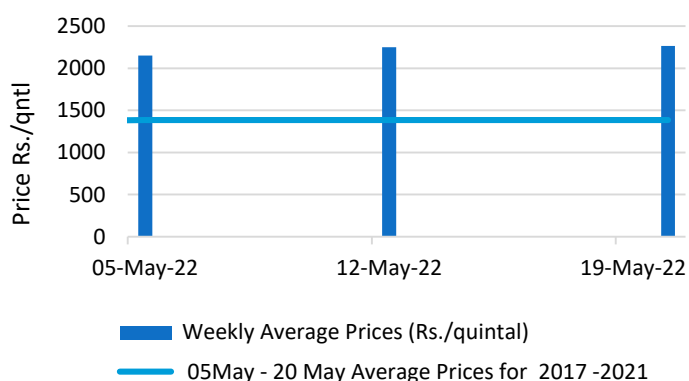
Arrivals increased gradually in the Markets of Bihar whereas, in Davangere arrivals decreased on the account of reduced demand from exporters and market participants.

Spot Price

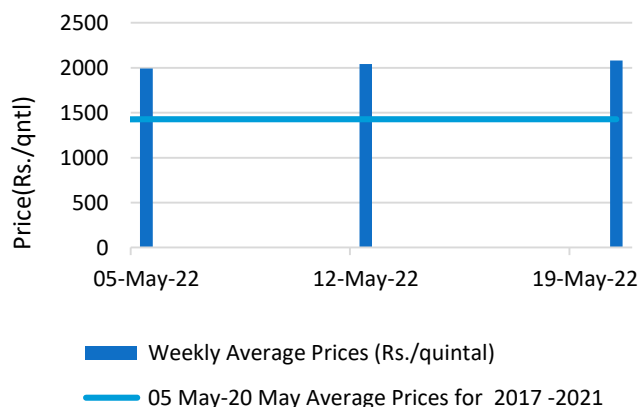
Spot prices at almost all the major spot markets spiked by Rs. 50 to 150 per quintal amid strong demand from domestic front as well as from neighboring countries.

Maize (Corn) Weekly Prices:						
Market	Grade	20-May-22	13-May-22	19-Apr-22	19-May-21	19-May-20
Naugachia	Bilty	2250	2250	2350	1500	1250
Delhi	Hybrid Maize (U.P.)	2500	2450	2500	1650	1360
Davangere	Loose	2100	2050	2280	1600	1300
Shimoga	Bilty	2160	2160	2160	1680	NA
Ranebennur	Bilty	NA	NA	NA	NA	1400
Bagalkot	Hybrid/Local	2220	NA	NA	1550	1300
Gadag	Local	2100	NA	2200	NA	1385
Nizamabad	Bilty	2200	2150	2450	1600	Closed
Khanna	Bilty	2400	2380	2470	Closed	1300
Sangli	Feed	2410	2405	2501	1798	NA
Ahmedabad	Feed	2575	2600	2560	1750	1430
	Starch	2600	2600	2580	1750	1410

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. Benchmark Gulabgach market in Bihar featured a 1% rise in prices (avg. weekly basis) while in Davangere, Karnataka average weekly prices rose by 2% 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

According to the trade sources, Maize sourced from Bihar and West Bengal is being supplied to Bangladesh at the delivery rate of Rs. 2,600 per quintal. Also, Bihar is supplying Maize to Kolkata and Siliguri at the rate of Rs. 2,450 per quintal. Also, Maize sourced from Davangere, Karnataka is being delivered for feed purpose to Tamil Nadu and Maharashtra at the rate of Rs. 2,500 to Rs. 2,550 per quintal and Rs. 2,400 to Rs. 2,450 per quintal respectively.

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	2450.00	2500.00	+50.00
Gujarat	2600.00	2550.00	-50.00

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

Supply destination	Delivered Prices at consuming centers	Maize Local Prices at Destination	Parity/Disparity
Rajasthan	2600.00	2630.00	+30.00
Gujarat	2450.00	2550.00	+100.00

Above table depicts the price parity or disparity of Maize for current supply destinations sourced from Bihar and Maharashtra. As depicted from above table we can infer that there exists a clear parity for Bihar Maize to U.P whereas, for new Maize supply to Gujarat for Bihar Maize because of higher transportation cost on the account of hike in fuel prices in recent times. Also, for Maharashtra Maize there exists a clear parity for supply to Rajasthan as well as Gujarat.

After Wheat export bans by Indian government Maize exporters demand seems to be cooled down on the account of fear existing with regards to further bans which can be imposed by government on cereals like Maize and, also southern ports are chocked under current circumstances by cargos waiting to be called back. This is making exporters wait to sign any new export contracts till ports get cleared for smooth shipments of the cargos.

Exports

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.77.66)

	Argentina	Brazil	US	India
FOB	315.67	325.00	355.33	294.54
C&F	365.67	380.80	415.33	329.54

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 to increase after Wheat export bans and also amid cheaper prices of Indian Maize as compared to other countries. Currently, Argentina remains a close competitor of India.

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.

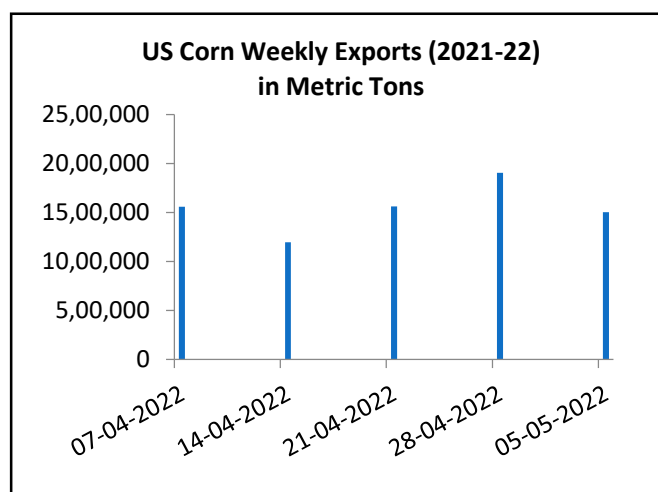
INTERNATIONAL SCENARIO

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	19-May-22	12-May-22	Change
Corn CBOT Prices	July-22	308.35	311.60	-3.25
	Sep-22	295.46	300.68	-5.22
	Dec-22	289.75	296.44	-6.69
	Mar-22	291.13	297.72	-6.59

As per U.S Corn planting report as of 15th May 2022, corn planting stood at 49%, which is lower by 29% as compared to last year and lower by 18% as compared to four year's average as well.

Corn on CBOT fell by 3.25 USD to 308.35 USD per MT for July'22 contract, as compared to previous week, on the account of some positive news related to weather and Corn planting in U.S also, after Ukraine resuming its Corn exports through Romania and Belarus ports. In near future it is expected that due to speculations related possible improved supply along with strong international feed demand it's expected that Corn on CBOT would trade range bound.

U.S. Maize exports have reached at 42.92 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.38 MMT for the period of 29th April 2022 – 05th May 2022, these exports were down by 8 percent from the previous week and up by 11 percent for prior 4-week average, to the destinations Mexico (366,100 MT), South Korea (259,800 MT), Colombia (205,400 MT), China (195,300 MT), and Japan (97,500 MT).



DOMESTIC OUTLOOK

AgriWatch expects, 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 neighbouring countries in northern markets. 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. 100-200 per quintal would give a buying opportunity with expectation of a good return in medium to long term.

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