

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

Maize cash markets witnessed a range bound movement with weak bias during the week under review on restricted demand from both poultry and starch industry.

However due to the higher prices during week start, at bench mark Gulabghat market, the average weekly prices rose to Rs. 2,290 per quintal from previous week's Rs. 2,265 per quintal.

Domestic feed as well as starch demand across the country remains restricted or are buying hand to mouth as they fear that government may also change the export policy of Maize so, they are into wait and watch state as what step GoI takes in regard to maize export policy.

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

Outlook:

AgriWatch expects, a range bound to mixed price movement of Maize during the coming week as key buyers are in wait and watch for GoI stand export policy.

WEATHER SCENARIO

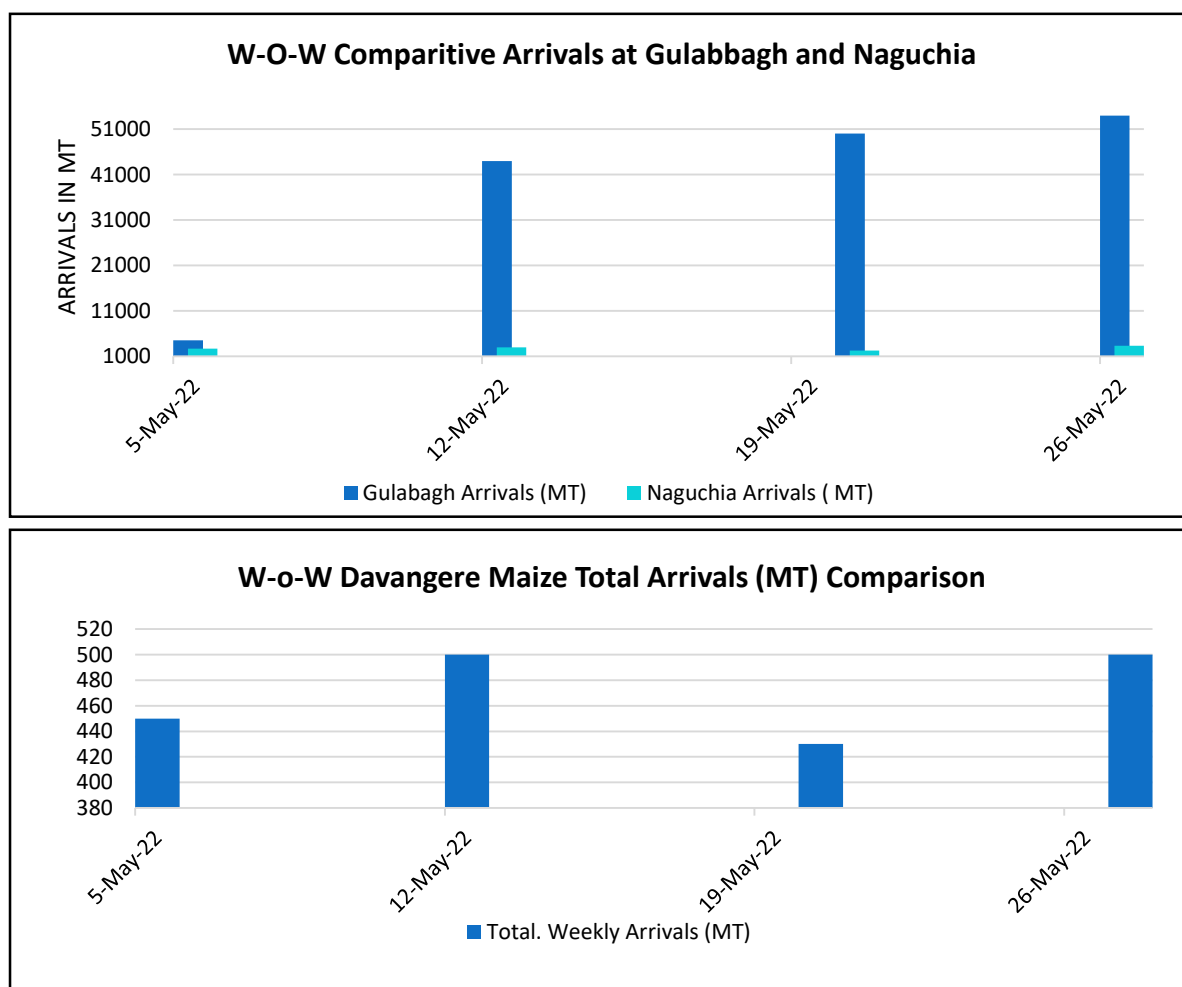
As per the weather department, the Southern peninsular has received more than normal rainfall since early march to till date amid several weather activities including the pre-monsoon showers. Given, scenario would help undertake early Kharif field preparation and taking up sowing activity. Meanwhile, as per the meteorological department of India (IMD), the SW Monsoon is set over the main land Kerala, three days ahead of its normal onset. Expected, normal progress after onset would add to good sowing progress moving ahead.

DOMESTIC SCENARIO

Rabi Maize Harvesting

On the account of unexpected pre monsoon showers in northern districts of Bihar, the harvesting of Rabi Maize was interrupted and also it has affected the standing crop. Reportedly, there are losses due to rainfall event and it is likely that that the yields will be affected to the tune of 5-7% in Bihar. Also, there would be quality issues mainly impact of fungus due to the recent rainfall events.

New Rabi Arrivals/Supply in Bihar Markets

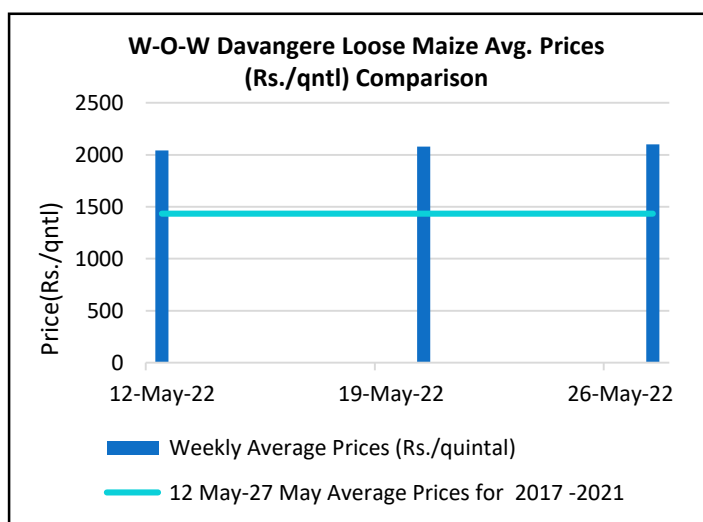
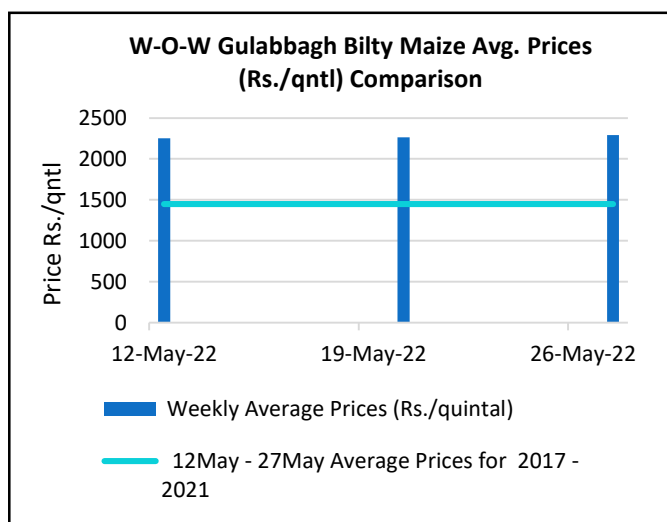


Arrivals increased gradually in the major spot markets of the country. As expected Rabi arrivals reached peak during 3rd and 4th week of May month. However, there were some delay in the arrivals in markets of Bihar due to pre-monsoon showers.

Spot Price

A mixed to sideways movement witnessed in Maize prices across the major spot markets of the country.

Maize (Corn) Weekly Prices:						
Market	Grade	27-May-22	20-May-22	26-Apr-22	26-May-21	26-May-20
Naugachia	Bilty	2175	2250	2200	1450	1250
Delhi	Hybrid Maize (U.P.)	2500	2500	2450	1630	1400
Davangere	Loose	2100	2100	2200	1550	1300
Shimoga	Bilty	NA	NA	2160	NA	1300
Ranebennur	Bilty	NA	NA	NA	NA	NA
Bagalkot	Hybrid/Local	2200	NA	NA	NA	1280
Gadag	Local	NA	NA	1900	NA	NA
Nizamabad	Bilty	2250	2200	2300	1600	Closed
Khanna	Bilty	2390	2400	2500	Closed	1350
Sangli	Feed	2438	2410	2494	1807	0
Ahmedabad	Feed	2450	2575	2500	1800	1400
	Starch	2500	2600	2550	1800	1430



Maize prices featured a strong sentiment with the start of the week, however as week progressed, the plea presented by Poultry feed association and starch association to ban/limit Maize exports, demand decreased and prices of Maize fell down across the markets in the country. Bench mark Gulabghagh market in Bihar and Davangere, Karnataka prices mostly remained flat however, the weekly remained marginally above from the past week. Overall Maize prices still remained well above the 5 years average for the current time period.

Domestic Demand and Trade

According to the trade sources, at present the Maize demand both domestic and exports fell due to the fear due to feed and starch association's joint plea regarding ban/limit of Maize exports. However, week started with a decent demand and according to sources delivery rate of feed maize and starch maize in Madhya Pradesh was Rs. 2,400 and Rs. 2,350 per quintal respectively. Also, warehouse delivery rates of Maize in Bihar sustains between Rs. 2,180 to Rs. 2,220 per quintal.

Domestic feed as well as starch producers demand in the northern and southern markets across the country seems to be suspended at present on the account of wait for the government's decision regarding the plea of Maize export ban/limit setup.

Exports

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.77.59)				
	Argentina	Brazil	US	India
FOB	316.80	324.20	352.00	309.82
C&F	366.80	379.20	412.00	344.82

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. Still exporters are restraining themselves from buying Maize at present since, they are in wait of decision over the export ban/limiting plea.

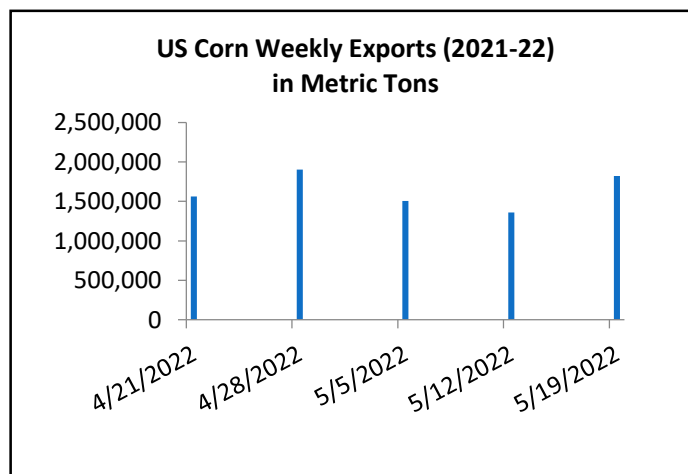
INTERNATIONAL SCENARIO

As per U.S Corn planting report as of 23rd May 2022, corn planting stood at 72%, which is lower by 17% as compared to last year and lower by 7% as compared to four year's average as well. Also 39 % of Corn has emerged.

Corn on CBOT fell by 7.28 USD to 301.17 USD per MT for July'22 contract, as compared to previous week, as the result of spill-over effect from the fall in Wheat prices. 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 to week.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	26-May-22	19-May-22	Change
Corn CBOT Prices	July-22	301.17	308.35	-7.18
	Sep-22	288.96	295.46	-6.50
	Dec-22	282.96	289.75	-6.79
	Mar-22	284.53	291.13	-6.60

U.S. Maize exports have reached at 44.72 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.82 MMT for the period of 13th May 2022 – 19th May 2022, these exports were up by 34 percent from the previous week and up by 15 percent for prior 4-week average, to the destinations China (793,000 MT), Japan (352,200 MT), Mexico (308,500 MT), Canada (75,500 MT), and South Korea (63,300 MT).



China has released its interest regarding imports of Corn from Brazil Corn replacing imports from U.S, in order to overcome existing Corn shortage. This has led to fall in the prices of U.S Corn in the international market.

DOMESTIC OUTLOOK

AgriWatch expects, a range bound to mixed price movement of Maize during the coming week as key buyers are in wait and watch for GoI stand export policy. Also, Rabi Maize arrivals declining which would lead to a mixed trend in market.

In near term market would trade sideways, however market sustains in wait and watch scenario till the time government release its confirm statement over the demand of Maize export ban/limit.

Any further decline in prices by 200-150 Rs. per quintal would give a buying opportunity with expectation of a good return in medium to long term.

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