

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

Maize cash markets witnessed a weak bias during the week under review on restricted demand from both poultry and starch industry, along with no demand from the side of exporters.

At bench mark Gulabghat market, the average weekly prices fell to Rs. 2,150 per quintal from previous week's Rs. 2,100 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 Govt takes in regard to maize export policy.

In International market Corn continued to maintain a weak 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 Govt stand export policy. In near term market would trade sideways.

WEATHER SCENARIO

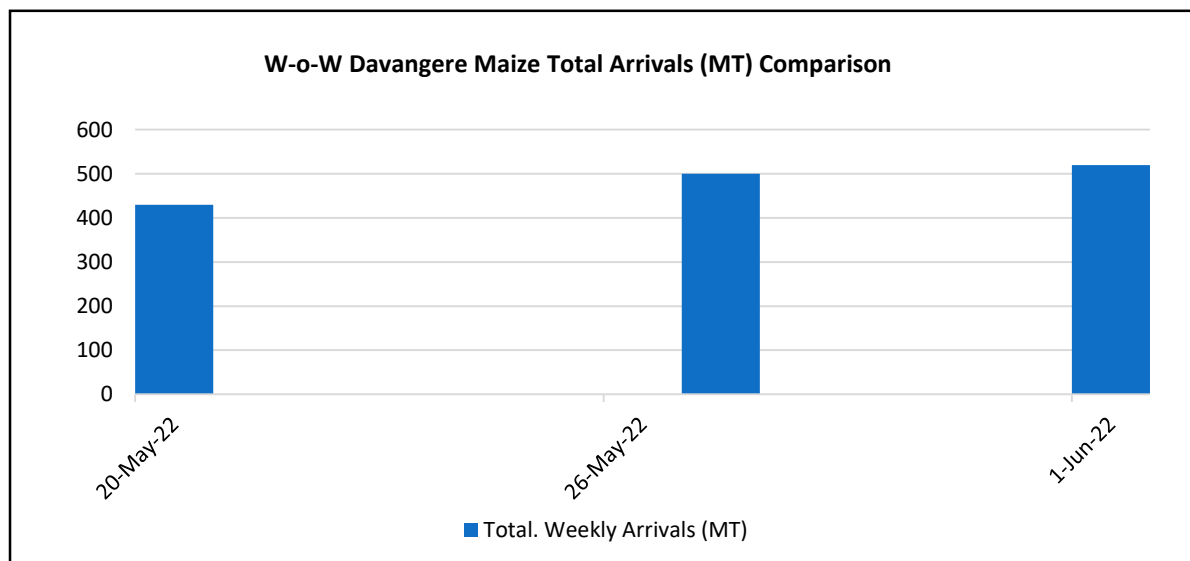
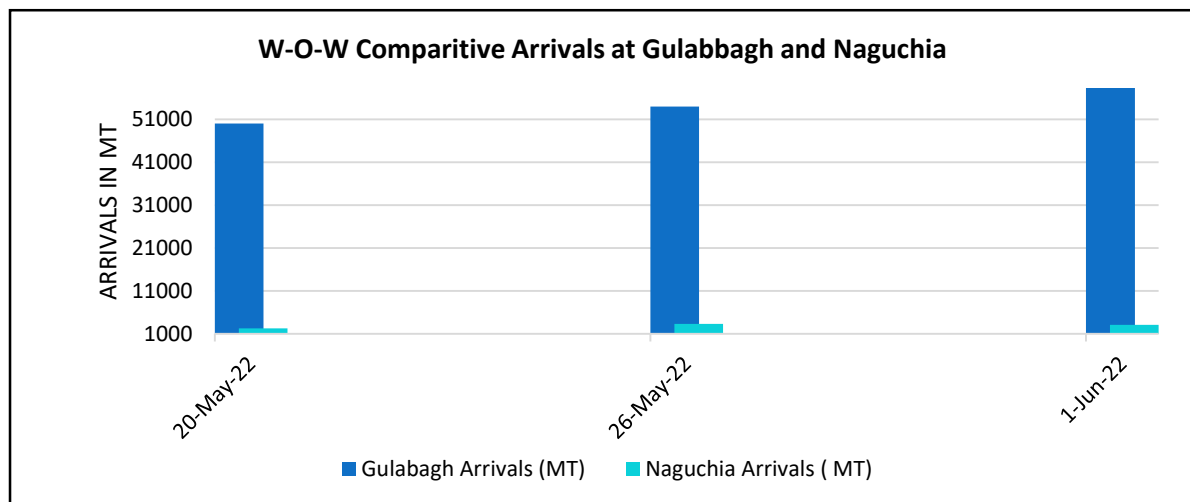
After early monsoon arrivals in Southern India, there are expectations of upcoming monsoon showers to be more intense. Also there were early rain showers received in North-Eastern states. For upcoming days there are expectations of monsoon to arrive in Northern and Central parts of the country including, Delhi.

DOMESTIC SCENARIO

Rabi Maize Harvesting

According to the sources almost 90 % of Rabi Maize Harvesting has been completed in the states like Bihar.

New Rabi Arrivals/Supply in Bihar Markets

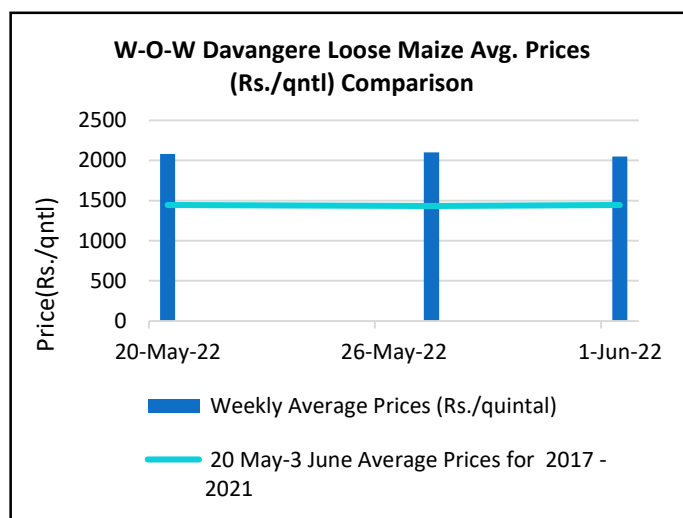
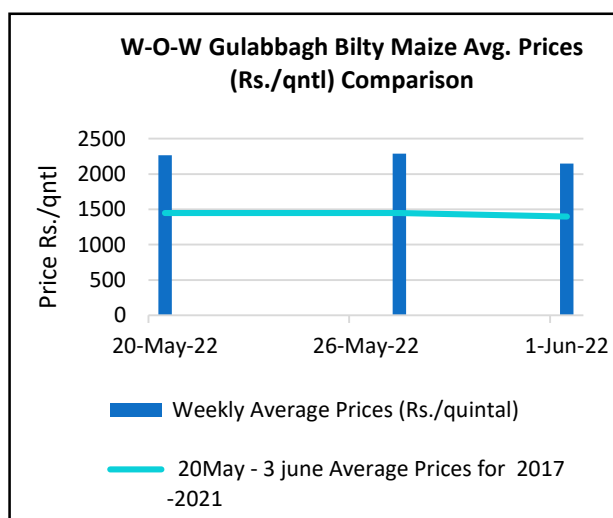


Arrivals increased gradually in the major spot markets of the country. After Rabi maize harvesting was interrupted during past two week arrivals reaching markets improved specifically for the Gulabghat market of Bihar.

Spot Price

A weak price movement witnessed in Maize prices across the major spot markets of the country.

Maize (Corn) Weekly Prices:						
Market	Grade	3-Jun-22	27-May-22	3-May-22	2-Jun-21	2-Jun-20
Naugachia	Bilty	2050	2175	2150	1450	1200
Delhi	Hybrid Maize (U.P.)	2210	2500	2375	1630	1350
Davangere	Loose	2000	2100	Closed	1645	1300
Shimoga	Bilty	2200	2160	NA	NA	NA
Ranebennur	Bilty	NA	NA	NA	NA	NA
Bagalkot	Hybrid/Local	2040	2200	NA	1560	1300
Gadag	Local	NA	NA	NA	NA	NA
Nizamabad	Bilty	2175	2250	Closed	1550	1600
Khanna	Bilty	NA	2390	2200	Closed	1350
Sangli	Feed	2318	2438	2408	1817	NA
Ahmedabad	Feed	2280	2450	Closed	1800	1400
	Starch	2280	2500	Closed	1800	1370



Maize prices featured a weak 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 Gulabgach market in Bihar and Davangere, Karnataka prices fell down by a gradual number. 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. 2,100 and Rs. 2,200 per quintal respectively.

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

As, per the trade sources, India exported 100126.39 MT of Maize during March 2022, at the average FOB of around 436.59 USD/MT. Also according to sources Maize exports during April 2022 were around 52592.46 MT with the average FOB of around 340.86 USD/MT. As of now exports of Maize from India seems to remain suspended awaiting GOI's decision on Maize export ban plea.

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.77.59)				
	Argentina	Brazil	US	India
FOB	312.67	328.67	336.33	304.82
C&F	362.67	383.67	396.33	339.82

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.

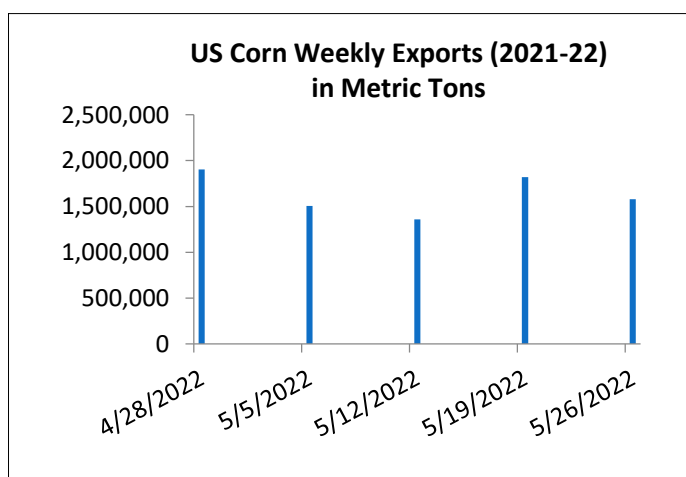
INTERNATIONAL SCENARIO

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 13.68 USD to 287.49 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. AgriWatch expects that for upcoming week Corn on CBOT might regain strength due to constrained supply from Ukraine and in the Black Sea region .

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	02-June-22	26-May-22	Change
Corn CBOT Prices	July-22	287.49	301.17	-13.68
	Sep-22	277.45	288.96	-11.51
	Dec-22	273.31	282.96	-9.65
	Mar-23	275.28	284.53	-9.25

U.S. Maize exports have reached at 46.30 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.57 MMT for the period of 20th May 2022 – 26th May 2022, these exports were down by 13 percent from the previous week and up by 4 percent for prior 4-week average, to the destinations Mexico (288,600 MT), Japan (283,100 MT), China (268,800 MT), Colombia (162,800 MT), and South Korea (131,500 MT).



Although, Ukraine has taken the initiative to move forward with its grains export, but there are constraints related to supply from the ports since most of the Ukrainian Black Sea based ports and supply chain infrastructure have been either destroyed during the war or are blocked by Russian naval forces. This is making it very difficult for the things to get back to normal.

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. 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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