

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

Maize cash markets witnessed a firm tone during the week under review on improved demand both domestic and exports as well as reduced arrivals.

At bench mark Gulabbagh market, the average weekly prices rose to Rs. 2,175 per quintal from previous week's Rs. 2,150 per quintal.

As per trade sources, the demand from exporters and poultry industry are likely to remain good moving ahead. Also, there has been a good demand for by products as well as for Maize Tukadi from the Besan industry.

In International market Corn on CBOT displayed a firm price sentiment as compared to previous week.

Outlook:

AgriWatch expects, range bound movement in prices with firm bias during the coming week as demand of Maize in domestic market has gain it's strength, also good amount of export demand is acting as an add on factor for strong domestic market.

WEATHER SCENARIO

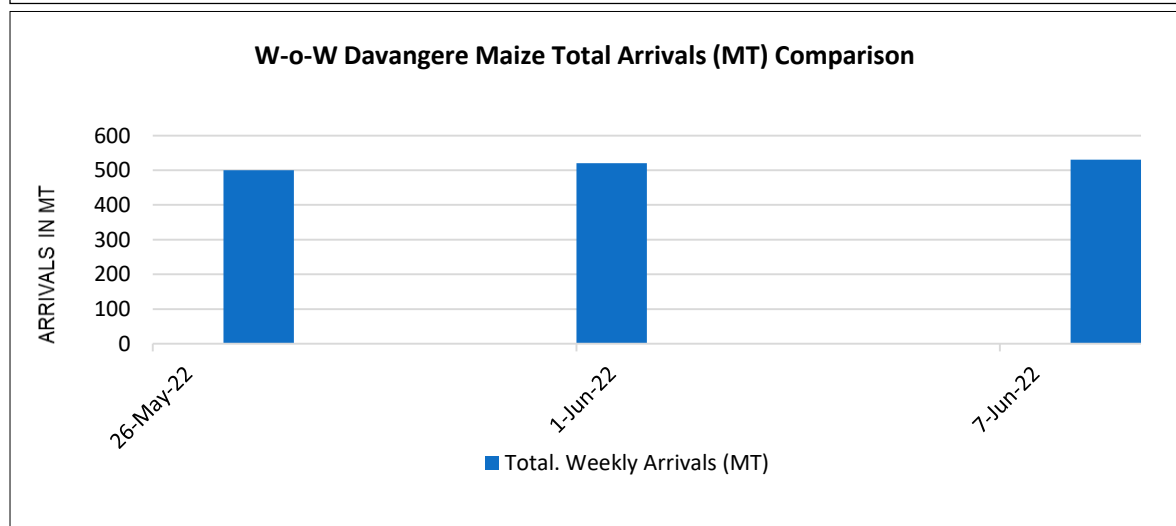
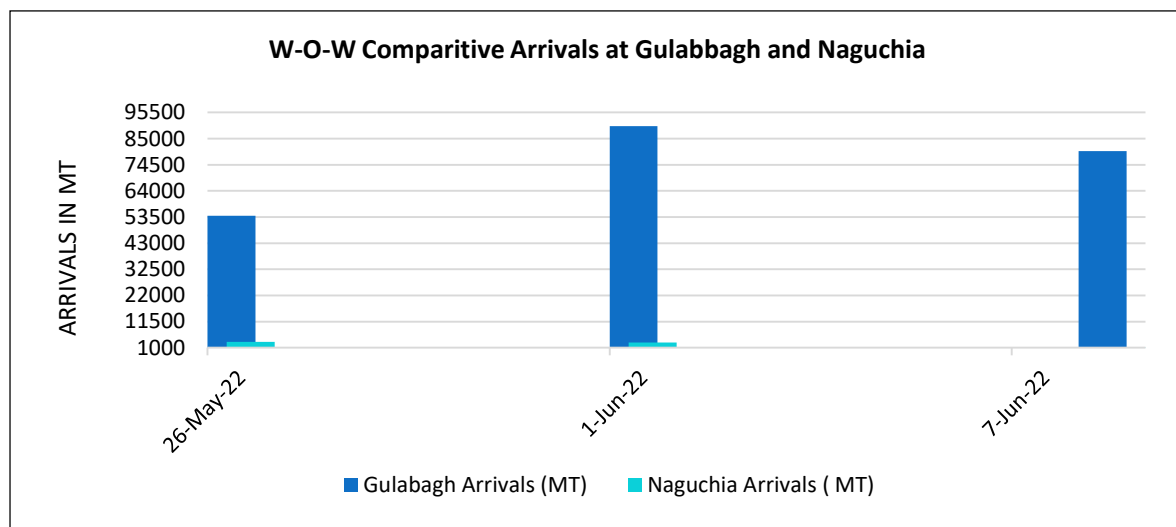
SW Monsoon has already covered the entire Karnataka and several parts of Maharashtra (Central and Marathwada region) along with most of the parts of Tamil Nadu. pre-monsoon showers are also received in eastern part of the country. Meanwhile, as per IMD, the condition are becoming favorable for further advance of the Monsoon and it is likely that the central part of the country likely to get pre-monsoon showers soon.

DOMESTIC SCENARIO

Maize Sowing and Harvesting

According to the sources Rabi Maize harvesting has been completed in Bihar and U.P. Also, after early monsoon arrival in Southern India, in Karnataka early sowing/planting has started and as of last week of May around 0.34 Lakh Hectare of area covered under Maize.

New Rabi Arrivals/Supply in Bihar Markets



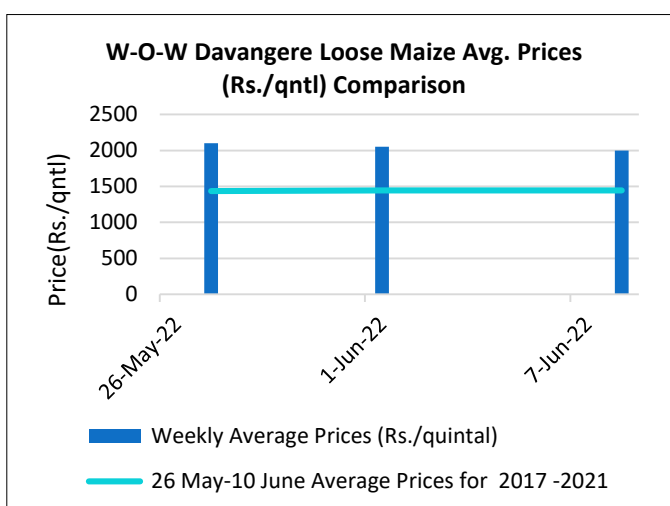
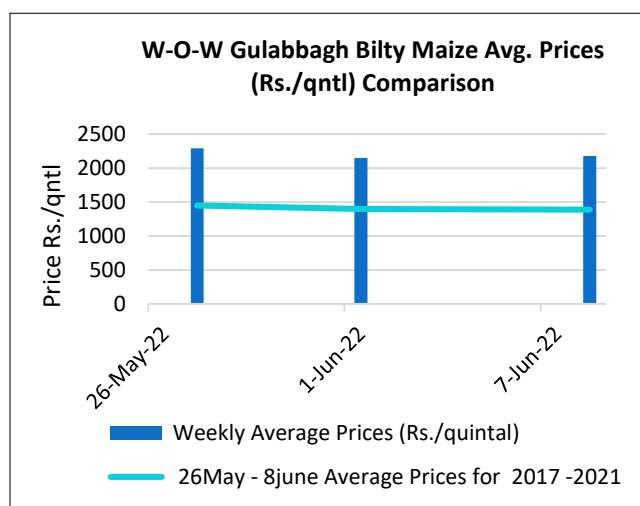
Arrivals decreased gradually in the major spot markets of the Bihar, on the account of wrapped up

Rabi maize harvesting. Whereas, on the account of reviving demand in the Southern markets a slight increase in the arrivals being registered at Davangere market was noticed.

Spot Price

An overall firm price movement witnessed in Maize prices across the major spot markets of the country.

Maize (Corn) Weekly Prices:						
Market	Grade	10-Jun-22	6-Jun-22	11-May-22	10-Jun-21	9-Jun-20
Naugachia	Bilty	2250	2150	2200	1475	1225
Delhi	Hybrid Maize (U.P.)	2230	2210	2450	1625	1360
Davangere	Loose	2000	2000	2050	1660	1350
Shimoga	Bilty	NA	NA	2160	NA	1300
Ranebennur	Bilty	NA	NA	2250	NA	NA
Bagalkot	Hybrid/Local	2130	2070	2210	NA	1300
Gadag	Local	NA	NA	2015	NA	NA
Nizamabad	Bilty	2250	2195	2075	Closed	1450
Khanna	Bilty	2100	2080	2320	1400	1200
Sangli	Feed	2456	2355	2402	1841	1404
Ahmedabad	Feed	2415	2300	2500	1730	1450
	Starch	2400	2300	2600	1680	1470



Maize prices featured a firm sentiment with the start of the week, although government's discussion on the plea presented by Poultry feed association and starch association to ban/limit Maize exports still remains awaited. After mid-week demand of Maize from different industries seemed to have revived across the various markets in country. Bench mark Gulabgach market in Bihar prices increased gradually, however average prices fell slightly bench mark Davangere market in Karnataka. Overall Maize prices continued to remain well above the 5 years average for the current time period.

Domestic Demand and Trade

As per trade sources, the demand from exporters and poultry industry are likely to remain good moving ahead. Also, there has been a good demand for by products as well as for Maize Tukadi from the Besan industry. Besan industry is buying Tukadi in Maharashtra at the delivery rate of Rs. 2,650 per quintal. At various markets in Maharashtra and M.P Maize is being traded between Rs. 2,100 – Rs. 2,350 per quintal.

Maize sourced from Gulabbagh, Bihar is being supplied to Bangladesh to fulfill its poultry feed demand at the delivery price of Rs. 2,350 per quintal.

There is the demand for Maharashtra sourced Maize in the Northern markets like Punjab, Haryana and Gujarat but due to prevailing disparity trade happens to be suspended between the source and target destination.

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.

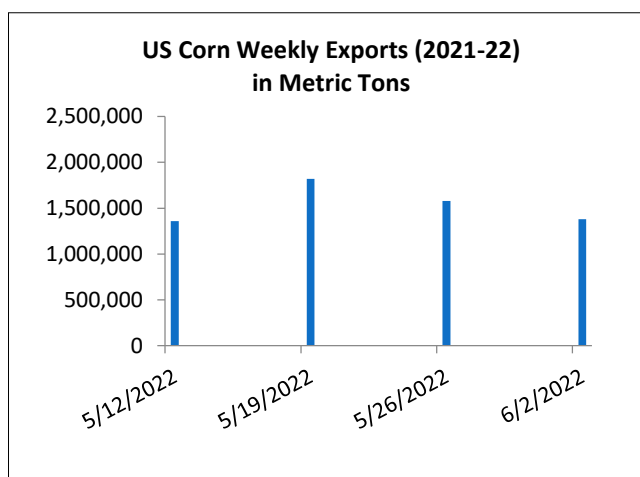
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.77.71)				
	Argentina	Brazil	US	India
FOB	308.00	331.25	338.75	303.31
C&F	358.00	386.25	398.75	339.85

As of now exports of Maize from India seems to have revived even though market and exporters still awaits GOI's decision on Maize export ban plea. A strong Maize demand has been observed over passed week especially from Bangladesh.

INTERNATIONAL SCENARIO

As per U.S Corn planting report as of 6th June 2022, U.S corn planting stood at 94%, which is lower by 4% as compared to last year for same time duration and lower by 6% as compared to four year's average as well. Also 78 % of Corn has emerged as compared to 89 % for the same time period during last year.

U.S. Maize exports have reached at 47.68 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 1.38 MMT for the period of 27th May 2022 – 2nd June 2022, these exports were down by 13 percent from the previous week and 12 percent down from prior 4-week average, to the destinations Mexico (344,900 MT), China (266,600 MT), Taiwan (144,400 MT), Japan (118,700 MT), and Colombia (84,700 MT).



Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	09-June-22	03-June-22	Change
Corn CBOT Prices	July-22	304.32	286.21	18.11
	Sep-22	287.09	276.07	11.02
	Dec-22	282.17	271.64	10.53
	Mar-23	283.94	273.71	10.24

Corn on CBOT rose by 18.11 USD to 304.32 USD per MT for July'22 contract, as compared to previous week, as the result of concerns related to tight global supply on the account of hampered exports from Ukraine due to port and infrastructure destruction, slower Crop progress in U.S and drought in the North-Eastern African continent. AgriWatch expects that for upcoming week Corn on CBOT would not suffer any severe dip on the account of assumptions pointing towards tight global Corn supply during upcoming season.

DOMESTIC OUTLOOK

AgriWatch expects, a firm to range bound price movement of Maize during the coming week demand of Maize in domestic market has gain it's strength in the market, also good amount of export demand is acting as an add on factor for strong domestic market. Declining Rabi Maize arrivals would also provide support to Maize prices in the coming week.

Buying excess quantity of Maize under current prices would not be a wise discussion with respect to the expectation of a good return in medium to long term.

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