

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

An overall steady to range bound movement witnessed in Maize prices across the major spot markets of the country.

At bench mark Gulabghat market, the average weekly prices of Maize traded steady at Rs. 2,350 per quintal when compared to week before that.

Flow of supplies have reduced in major spot markets, the previously stocked stuff is being released in the Southern as well as Northern markets of the country. Sources say that demand of Maize from poultry sector in Northern parts of the country happens to be sluggish on the account Sarwan fasting going season.

Corn on CBOT rose by 16.83 USD to 242.61 USD per MT for Sep'22 contract, as compared to previous week, on the account declined supply from U.S and sustaining hot weather conditions in U.S.A.

Outlook:

AgriWatch expects, Range-bound price movement of Maize during the coming week in domestic market on the account of mixed trend in the demand of poultry Maize. Also, buyers are preferring to buy the desired quantity from local suppliers rather than opting to buy from the suppliers of different states due to existing delivery disparity between supply and source location.

WEATHER SCENARIO

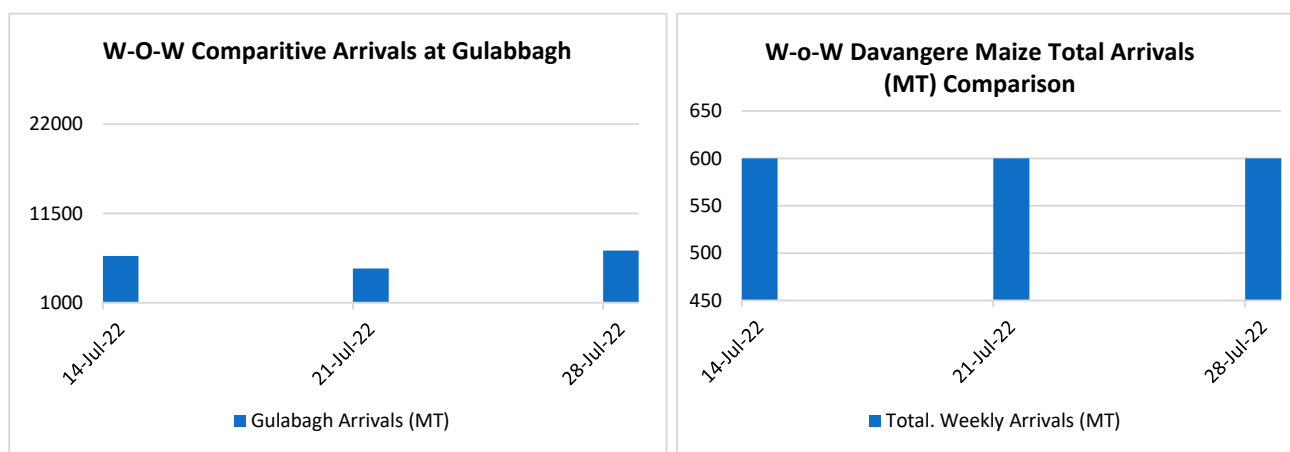
There have been heavy monsoon showers over various parts of Karnataka, Andhra Pradesh, Maharashtra, Madhya Pradesh and Gujarat. Rising concerns related to already sown crop health. Crop damage due to water logging has been observed in Maharashtra, A.P and M.P. Damage is serious in A.P and Maharashtra. However, in Karnataka and M.P crop seems to be at surviving stage on the account of good sunshine received after heavy rain showers.

DOMESTIC SCENARIO

Maize Sowing Update

As per the latest update of Agriculture department, GoI, India marked a decline in Maize area coverage till 29th July 22 as compared to same period last year. Till last week Maize has been sown in 69.05 lakh Ha. compared to 72.49 lakh Ha. same period last year, which is approximately 3 % less compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 15.00 Lakh hectares as compared to 15.29 Lakh hectares during same period last year.

New Rabi Arrivals/Supply in Bihar Markets

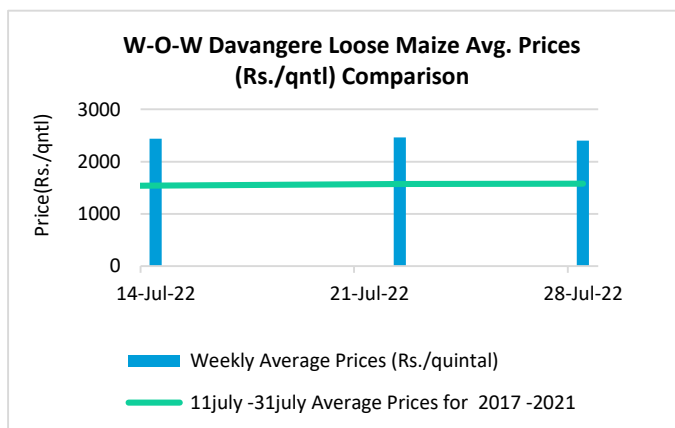
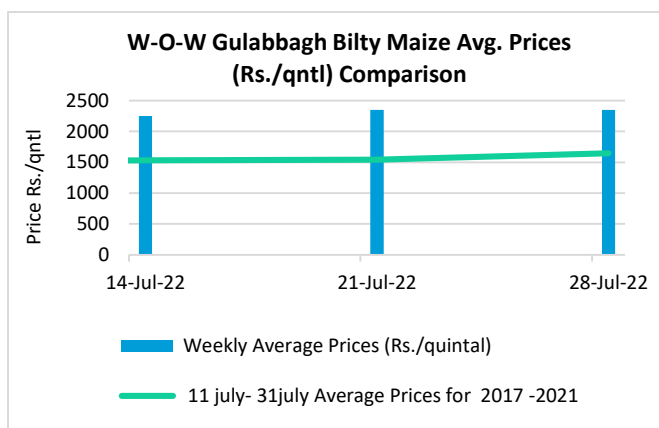


Arrivals of Maize at various spot markets around the country have been in alignment with the normal arrivals during this season. However, since past two to three weeks arrivals at the spot market of Davangere have been steady in quantity.

Spot Price

An overall steady to range bound movement witnessed in Maize prices across the major spot markets of the country.

Maize (Corn) Weekly Prices:						
Market	Grade	29-Jul-22	22-Jul-22	28-Jun-22	28-Jul-21	28-Jul-20
Naugachia	Bilty	2300	2300	2250	1850	1125
Delhi	Hybrid Maize (U.P.)	2250	2150	2200	1760	1250
Davangere	Loose	2400	2400	2200	1900	1300
Shimoga	Bilty	NA	2600	2160	2000	1350
Ranebennur	Bilty	NR	NR	NR	NR	NR
Bagalkot	Hybrid/Local	2100	2210	NR	1860	NR
Gadag	Local	1610	2210	NR	NR	NR
Nizamabad	Bilty	2450	2500	2350	1900	1370
Khanna	Bilty	1950	1950	1930	1550	1100
Sangli	Feed	2564	2603	2609	2062	0
Ahmedabad	Feed	2400	2300	2400	2050	1300
	Starch	2350	2300	2375	2000	1300



Maize prices throughout the week displayed range bound sentiment on the account of slight decline in the demand of Maize from poultry sector in Northern markets. Bench mark Gulabghat market in Bihar and bench mark market Davangere, Karnataka Maize traded at steady rates to in the average weekly prices when compared to the prices of previous week. Average weekly prices at Gulabghat market in Bihar traded steady throughout the week and also remained steady when compared to week before that.

Domestic Demand and Trade

As per trade sources, the demand from feed industry and starch industry reportedly remained in mixed zone during the past week. Flow of supplies have reduced in major spot markets, the previously stocked stuff is being released in the Southern as well as Northern markets of the country. Sources say that demand of Maize from poultry sector in Northern parts of the country happens to be sluggish on the account Sarawan fasting going season.

However, overall export as well as domestic demand of Maize took a fair pace with monsoon progressing further resulting in the demand from poultry industry.

Exports

As per the Trade sources India exported around 1,49,630 MT of Maize during June 2022 with the average FOB of around 307.99 USD/MT. Also, out of this around 88,910 MT of Maize was exported to Bangladesh with an average FOB of around 330.44 USD/MT and 58,362 MT of Maize was exported to Nepal with an average FOB of around 288.53 USD/MT.

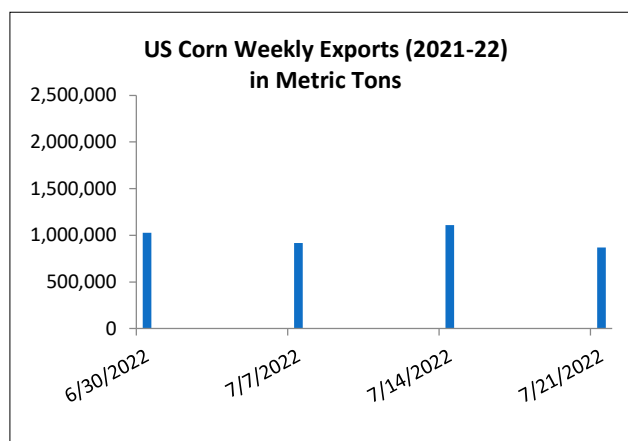
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.79.57)				
	Argentina	Brazil	US	India
FOB	278.00	283.00	309.00	326.10
C&F	328.00	338.00	369.00	361.10

According to the latest updates, India is facing a challenge concerning exports of Indian Maize to significant export destinations like Thailand and Vietnam. The primary reason for this can be attributed to the fact that the current price at which Maize is being traded-in domestic markets in India is leading to uncompetitive prices of Indian Maize in the international market when compared to that of its competitors like Argentina and Brazil.

INTERNATIONAL SCENARIO

As per U.S Corn planting report as of 26 July 2022, 61 % of Corn was in good to excellent condition this is 1 % down from past week and 3 % down from the same time period during last year. Also, 62 % of Corn crop was in silking stage and 13 % of Corn crop was in dough stage till 26 July 2022.

U.S. Maize exports have reached at 55.39 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.86 MMT for the period of 15th July 2022 – 21st July 2022, these exports were down by 22 percent from previous week and 19 percent from prior 4-week average, to the destinations Mexico (396,000 MT), China (208,000 MT), Japan (72,300 MT), Guatemala (65,400 MT), and Colombia (47,500 MT).



Corn on CBOT rose by 16.83 USD to 242.61 USD per MT for Sep'22 contract, as compared to previous week, on the account declined supply from U.S and sustaining hot weather conditions in U.S.A. However, AgriWatch expects that for upcoming week Corn on CBOT would trade weak to range bound.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	29-July-22	21-July-22	Change
Corn CBOT Prices	Sep-22	242.61	225.78	16.83
	Dec-22	244.08	228.43	15.65
	Mar-23	246.54	230.21	16.33
	July-23	248.02	-	-

DOMESTIC OUTLOOK

AgriWatch expects, Range-bound price movement of Maize during the coming week in domestic market on the account of mixed trend in the demand of poultry Maize. Also, buyers are preferring to buy the desired quantity from local suppliers rather than opting to buy from the suppliers of different states due to existing delivery disparity between supply and source location.

At present, considering the overall scenario, current revival and progress of SW Monsoon, expected increase in sowing area under Maize, in medium to long term it is advisable to gradually liquidate stocks at higher price levels while in very-short to short term one can expect some increase in prices amid improved demand and finishing Rabi supplies.

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