

Maize-Weekly Fundamental Report

Contents

Weekly Digest and Outlook

Domestic Scenario

- Kharif Maize Sowing
- Spot Market Supply and Arrivals
- Spot Price
- Domestic demand and Trade
- Exports

International Scenario

Domestic Outlook

WEEKLY DIGEST AND OUTLOOK

An overall range bound to slightly firm movement witnessed in Maize prices across the major spot markets of the country, on the account of reduced supply to markets.

Average weekly prices at Gulabghat market in Bihar were higher by around 6% at Rs. 2,538 per quintal as compared to previous week's average weekly prices of Rs. 2,392 per quintal.

Sources say that demand of Maize from poultry sector in Northern parts of the country happens to be sluggish despite the end of Sarwan fasting season. However, Davangere is supplying feed Maize to Tamil Nadu and Bengaluru at the delivery rate of Rs. 2,700 per quintal and Rs. 2,660 per quintal respectively.

Corn on CBOT rose by 7.48 USD to 240.25 USD per MT for Sep'22 contract, as compared to previous week, on the account of fair supply from U.S.

Outlook:

AgriWatch expects, steady to Range-bound price movement of Maize during the coming week in domestic market since domestic demand remains sluggish along with negligible market supply. Also, international demand happens to remain weak due to higher prices of Indian Maize as compared to its competitors.

WEATHER SCENARIO

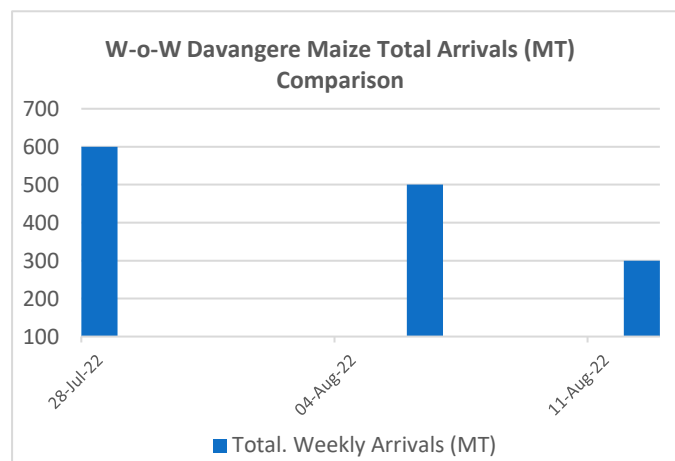
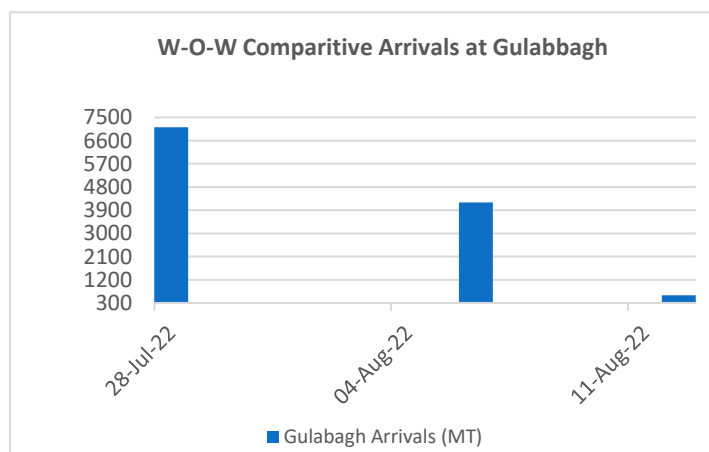
Heavy monsoon showers were observed over various parts of Uttar Pradesh, Bihar, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Northeastern states and Northern parts of the country including Delhi/NCR region. Rising concerns related to already sown crop health. Crop damage due to water logging has been observed in Maharashtra, A.P and M.P. Damage is serious in A.P and Maharashtra. However, over the following several days, it is anticipated that regions in South India, particularly Karnataka and coastal Andhra Pradesh, would see severe rainfall.

DOMESTIC SCENARIO

Maize Sowing Update

As per the latest update of Agriculture department, GoI, India marked a slight rise in Maize area coverage till 12th August 22 as compared to same period last year. Till last week Maize has been sown in 78.63 lakh Ha. compared to 78.27 lakh Ha. same period last year, which is approximately 1% more compared to last year for same time period. As per the report, largest area coverage under Maize was in M.P at around 15.60 Lakh hectares as compared to 15.58 Lakh hectares during same period last year.

New Rabi Arrivals/Supply in Bihar Markets

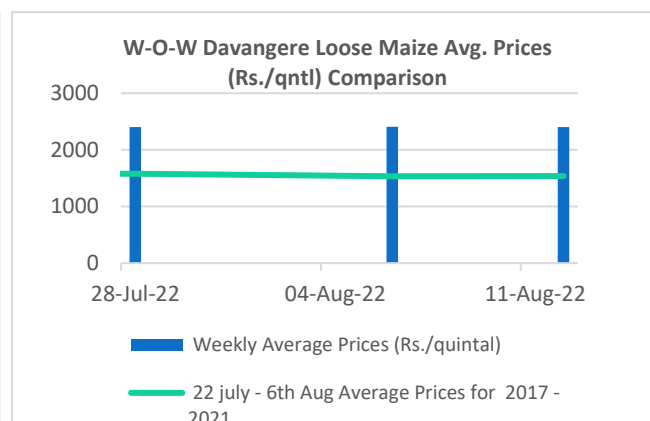
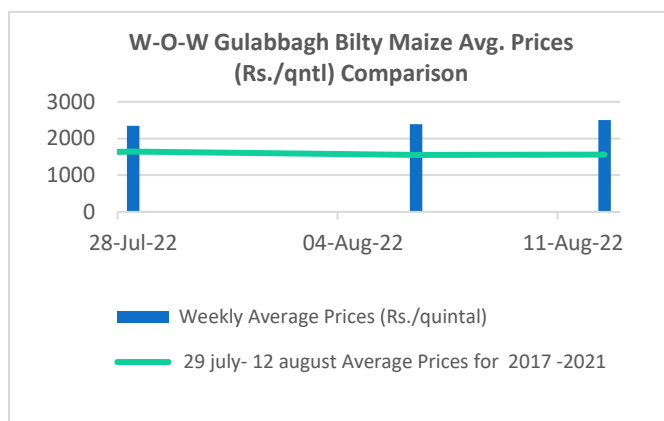


Arrivals of Maize at various spot markets around the country have been in alignment with the normal arrivals during this season. After continues steady arrivals for previous weeks arrivals in Davangere decreased to 300 MT from 500 MT as compared to that of week before that. Also there was a further decline in total arrivals during week under review as compared to previous week at bench mark market Gulabghagh, Bihar.

Spot Price

An overall range bound to slightly firm movement witnessed in Maize prices across the major spot markets of the country, on the account of reduced supply to markets.

Maize(Corn)Weekly Prices:						
Market	Grade	13-Aug-22	06-Aug-22	13-Jul-22	12-Aug-21	12-Aug-20
Naugachia	Bilty	2400	2300	2250	1850	NR
Delhi	Hybrid Maize (U.P.)	2450	2350	2250	1850	NR
Davangere	Loose	Closed	2450	2400	1900	NR
Shimoga	Bilty	NA	2500	NR	2000	NR
Ranebennur	Bilty	NR	NA	NA	NR	NR
Bagalkot	Hybrid/Local	NA	2289	NR	NA	NR
Gadag	Local	2029	1544	NR	NA	NR
Nizamabad	Bilty	Closed	Closed	2500	1900	NR
Khanna	Bilty	2000	2050	1950	1750	NR
Sangli	Feed	2727	2680	2678	2072	NR
Ahmedabad	Feed	2625	2650	2330	2100	NR
	Starch	2550	2500	2340	2100	NR



Maize prices throughout the week displayed range bound to slightly firm sentiment on the account of slight decline in the demand of Maize from poultry sector particularly in Northern markets of the country despite the end of sravan fasting along with limited arrivals in the market. Also, at bench mark market Davangere, Karnataka Maize traded at steady rates for the week under review compared with the average weekly prices of previous week. Average weekly prices at Gulabgagh market in Bihar were higher by around 6% at Rs. 2,538 per quintal as compared to previous week's average weekly prices of Rs. 2,392 per quintal.

Domestic Demand and Trade

As per trade sources, the demand from feed industry and starch industry reportedly remained in mixed zone during the week under review. Flow of arrivals have reduced in major spot markets; the previously stocked stuff is being released from the warehouses of the country. Sources say that demand of Maize from poultry sector in Northern parts of the country happens to be sluggish despite the end of Sarawan fasting season. However, Davangere is supplying feed Maize to Tamil Nadu and Bengaluru at the delivery rate of Rs. 2,700 per quintal and Rs. 2,660 per quintal respectively. The overall sentiments remaining at the supply side is getting tighter.

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.

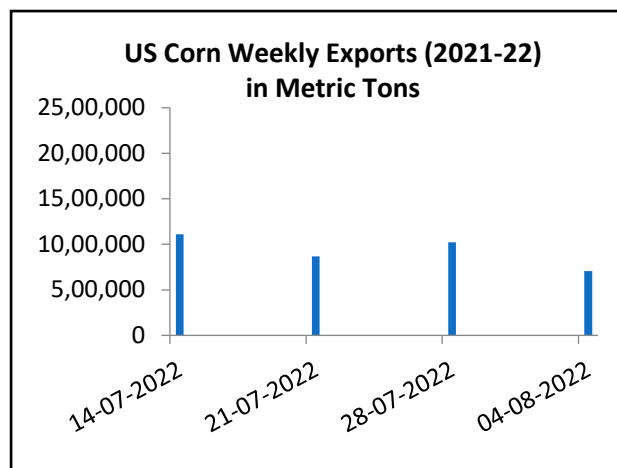
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.79.53)				
	Argentina	Brazil	US	India
FOB	274.67	290.67	299.33	336.93
C&F	324.67	345.67	359.33	348.60

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 USDA as on date 8 August 2022, 58 % of Corn was in good to excellent condition which was 61% till past week and was 64% for same time period during last year. Also, 90 % of Corn crop was in silking stage, along with 6% corn at dented stage and 45 % of Corn crop was in dough stage till 8 August 2022.

U.S. Maize exports have reached at 57.11 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.7 MMT for the period of 28th July 2022 – 8th Aug 2022, these exports were down by 31 percent from previous week and down by 28 percent from prior 4-week average, to the destinations Mexico (225,300 MT), China (207,200 MT), Japan (146,000 MT), Canada (56,100 MT), and El Salvador (30,100 MT).



Corn on CBOT rose by 7.48 USD to 240.25 USD per MT for Sep'22 contract, as compared to previous week, on the account fair supply from U.S. 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	12-Aug-22	05-Aug-22	Change
Corn CBOT Prices	Sep-22	247.73	240.25	7.48
	Dec-22	247.13	240.15	6.98
	Mar-23	249.79	243.3	6.49
	July-23	250.97	245.07	5.9

DOMESTIC OUTLOOK

AgriWatch expects, steady to Range-bound price movement of Maize during the coming week in domestic market since domestic demand remains sluggish along with negligible market supply. Also, international demand happens to remain weak due to higher prices of Indian Maize as compared to its competitors.

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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