

Maize-Weekly Fundamental Report

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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 in par with the previous week's average weekly prices of Rs. 2,675 per quintal.

Maize prices throughout the week displayed almost a steady sentiment on the account of slight decline in the demand of Maize from poultry sector particularly in southern markets like Tamil Nadu due to the beginning of sowing season. Also, the coming months are crucial for maize as there could be a tight supply in the coming years due to assumed deficiency in production. Also, at benchmark market Davangere, Karnataka there were no arrivals for past several weeks.

Corn on CBOT rose by 51.28 USD to 274.99 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

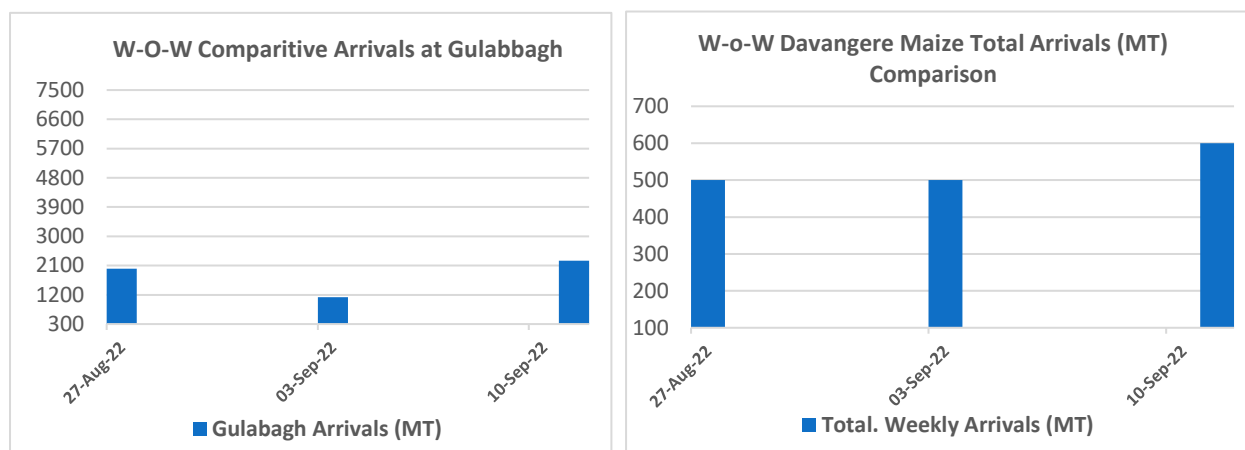
It is expected that isolated areas of Andhra Pradesh, Madhya Pradesh, and south Chhattisgarh will experience heavy rainfall. Additionally, a cloud burst incident in the Lasko River produced chaos to numerous areas of Uttarakhand as a result of rain. Rising concerns related to already sown crop health.

DOMESTIC SCENARIO

Maize Sowing Update

As per U.S Corn planting report as of USDA as on date 6th September 2022, 54% of Corn was in good to excellent condition which was same for past week and was 59% for same time period during last year. Also, 97% of Corn crop was in silking stage, along with 72% corn at dented stage and 94% of Corn crop was in dough stage till 6 September 2022.

New Rabi Arrivals/Supply in Bihar Markets

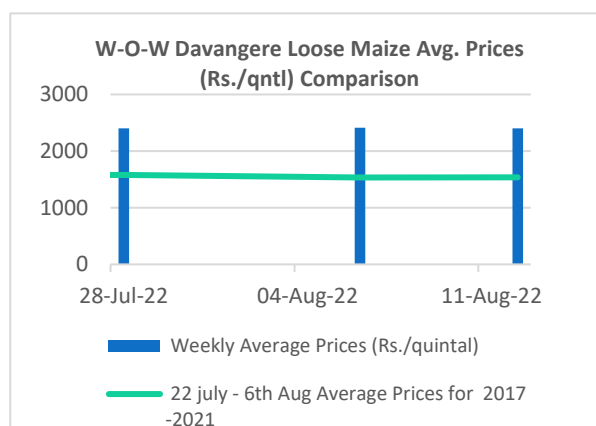
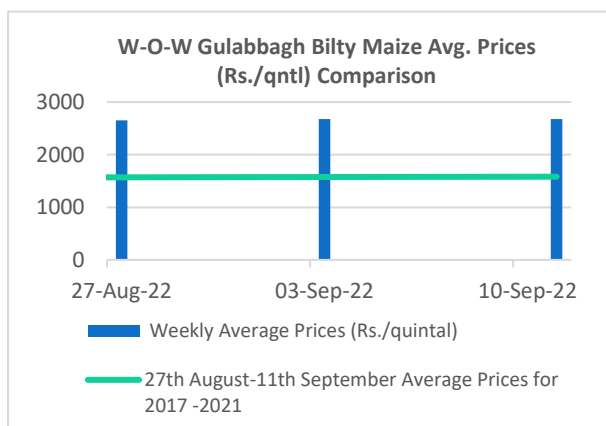


Arrivals of Maize at various spot markets around the country have been in alignment with the normal arrivals during this season. The arrivals for previous week arrivals in Davangere was more than the previous week at 600 MT. Also, there was an increase in total arrivals of 2250 tons during week under review as compared to previous week of 1125 tons at bench mark market Gulabghat, 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	10-Sep-22	03-Sep-22	10-Aug-22	09-Sep-21	09-Sep-20
Naugachia	Bilty	0	2450	2400	1825	1300
Delhi	Hybrid Maize (U.P.)	0	2400	2450	1850	1300
Davangere	Loose	0	NA	NA	1825	1300
Shimoga	Bilty	0	NA	0	0	1350
Ranebennur	Bilty	0	NR	0	0	1400
Bagalkot	Hybrid/Local	0	NA	2265	1505	1150
Gadag	Local	0	NA	0	0	1135
Nizamabad	Bilty	0	Closed	2450	1900	1375
Khanna	Bilty	0	2180	2080	1730	1150
Sangli	Feed	0	2749	2704	2077	1442
Ahmedabad	Feed	0	2550	2650	2000	1300
	Starch	0	2550	2550	2000	1325



Maize prices throughout the week displayed almost a steady sentiment on the account of slight decline in the demand of Maize from poultry sector particularly in southern markets like Tamil Nadu due to the beginning of srawan season. Also, the coming months are crucial for maize as there could be a tight supply in the coming years due to assumed deficiency in production. Also, at bench mark market Davangere, Karnataka there were no arrival for past two weeks i.e., the week under review as well as previous week. Average weekly prices at Gulabgach market in Bihar were in par with the previous week's average weekly prices of Rs. 2,675 per quintal.

Domestic Demand and Trade

As per trade sources, Flow of arrivals begin at several states like Andhra Pradesh and Telengana. However, the pressure of arrivals is expected to begin from the end of October. The crop conditions in states like Maharashtra, Madhya Pradesh and Karnataka seems to be in good condition. No export demands are noticed. As the 100% parboiled broken rice is currently available in the market, it is being used in as an alternate in the feed industry resulting in pressure on price of maize. Also, cattle and poultry feed demands have started to reduce due to the beginning of festival seasons. The prices are expected to decrease to Rs.2000- Rs.2100 till mid-October. Stockists would begin offloading the old stock from warehouse before the new arrivals begin in bulk volume.

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.

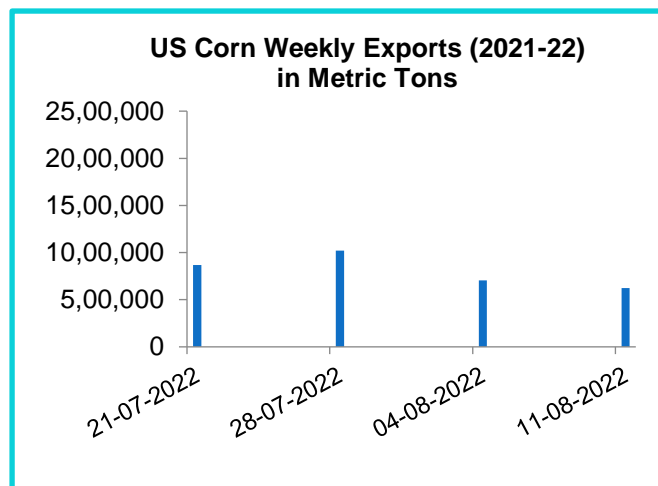
Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.79.35)				
	Argentina	Brazil	US	India
FOB	289.50	293	323.25	338.36
C&F	341.25	357	381.63	373.36

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 6th September 2022, 54% of Corn was in good to excellent condition which was same for past week and was 59% for same time period during last year. Also, 97% of Corn crop was in silking stage, along with 72% corn at dented stage and 94% of Corn crop was in dough stage till 6 September 2022.

U.S. Maize exports have reached at 57.74 million metric tonne (MMT) for 2021-22 Marketing Year, with the exports of 0.6 MMT for the period of 8th Aug 2022 – 11th Aug 2022, these exports were down by 12 percent from previous week and down by 33 percent from prior 4-week average, to the destinations China (273,500 MT), Mexico (271,300 MT), Trinidad and Tobago (25,100 MT, including 200 MT - Late), Panama (24,200 MT), and Honduras (14,700 MT).



Corn on CBOT rose by 51.28 USD to 274.99 USD per MT for Sep'22 contract, as compared to previous week, on the account of 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	10-Sept-22	3-Sept-22	Change
Corn CBOT Prices	Sep-22	274.99	223.71	51.28
	Dec-22	269.67	225.58	44.09
	Mar-23	271.35	228.14	43.21
	July-23	271.35	229.52	41.83

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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