

Maize-Weekly Fundamental Report

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WEEKLY DIGEST AND OUTLOOK

During the week under review, arrivals in both Davangare and Gulabgach declined. The Rabi crop is yet to arrive in these markets.,

During the week under review, Davangere benchmark market sold arrivals (loose) for an average price of 2138 INR/ctl., which is down from previous week's price of 2182 INR/ctl.

Corn on CBOT went down by 6.89 USD to 259.93 per MT for Mar'23 contract, as compared to previous week.

Outlook:

Prices are most likely going to stay bearish in the upcoming weeks.

WEATHER SCENARIO

According to forecasts, the upcoming few days would be dry in Tamil Nadu, Andhra Pradesh, and Karnataka. Similar circumstances exist in Bihar, Madhya Pradesh, and Maharashtra. Additionally, the current stage of maize growth benefits from this type of weather.

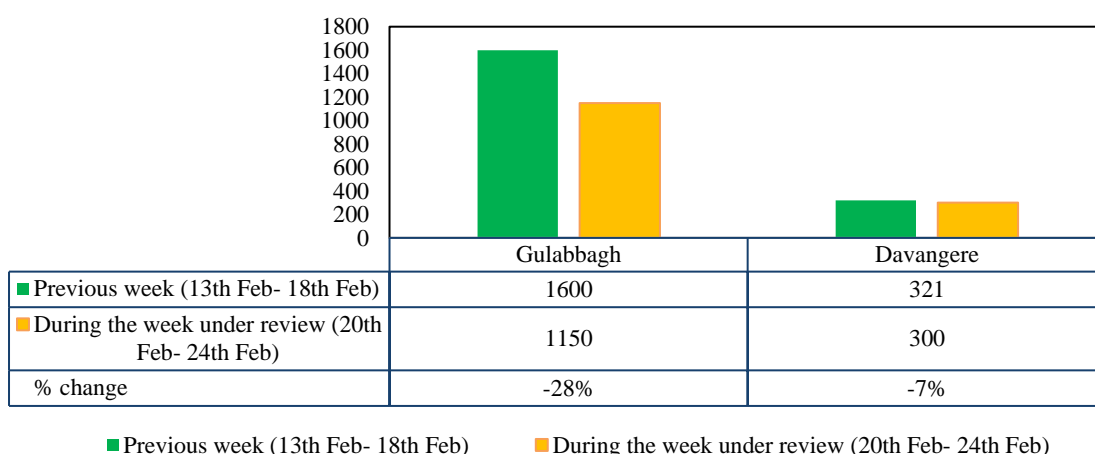
DOMESTIC SCENARIO

Rabi Maize Sowing Update

As of latest data released by Ministry of Agriculture on 2nd February, 2023, maize has been sown in 22.67 lakh hectares this year, which is almost 16% more area compared to 19.48 lakh hectares last year.

New Rabi Arrivals/Supply in Markets

Weekly Maize Arrivals (in tonnes)



During the week under review, quantity of arrivals in Davangere was 300 tonnes this week, down by 7% from 321 tonnes last week. Whereas Gulabgach mandi also saw a decline in quantity of arrivals this week at 1160 tonnes, which is down by 27% from previous week due to sluggish trading activity.

Spot Price

During the week under review, the price of maize exhibited a rangebound pattern. Farmers seem reluctant to sell their stocks due to their expectation of an upcoming price surge. Additionally, the low quality of arrivals is also affecting the price of maize.

Maize (Corn) Weekly Prices:						
Market	Grade	24-Feb-23	17-Feb-23	24-Jan-23	23-Feb-22	23-Feb-21
Naugachia	Bilty	2150	2150	2400	2250	1425

Delhi	Hybrid Maize (U.P.)	2340	2320	2420	2225	1500
Davangere	Loose	2150	2170	2200	2050	1500
Shimoga	Bilty	NR	NR	NR	NR	NR
Ranebennur	Bilty	NR	NR	NR	NR	NR
Bagalkot	Hybrid/Local	2120	2170	2141	1935	NR
Gadag	Local	NR	1870	1012	1165	1270
Nizamabad	Bilty	NA	NR	NR	1900	1500
Khanna	Bilty	2200	2250	2400	2090	1350
Sangli	Feed	2341	2371	2359	2180	1649
Ahmedabad	Feed	NA	2370	NR	2180	1500
	Starch	NA	2350	NR	2100	1550

During the week under review, Davangere benchmark market sold arrivals (loose) for an average price of 2138 INR/qtl., which is down from previous week's price of 2182 INR/qtl. The price ranged from Rs. 2100 to Rs. 2150. In Bengaluru, average prices eased marginally at Rs. 2250/qtl. from previous week's 2300 INR/qtl. whereas, in Namakkal, average prices were reported at Rs. 2310/qtl. which is also slightly down from Rs.2350/qtl. At Gulabghat, the average bilty prices were reported at Rs. 2550 per quintal unchanged from last week. The prices remained steady throughout the week.

Domestic Demand and Trade

In the past few weeks, the trade of maize has become sluggish due to lull supply and demand. The arrivals from the new crop will begin from the last week of March /first week of April, then it is likely that prices might show some movement, however in short run, prices are expected to show weak momentum. Additionally, as broken rice is less expensive, the poultry industry recently turned to utilizing it instead of maize, leaving only the starch industry as a buyer for maize.

Technical Analysis (Domestic market)

(Based on Davangere mandi prices)

Maize – Technical Outlook

Maize Davangere Mandi prices -Weekly time frame

Technical Chart:

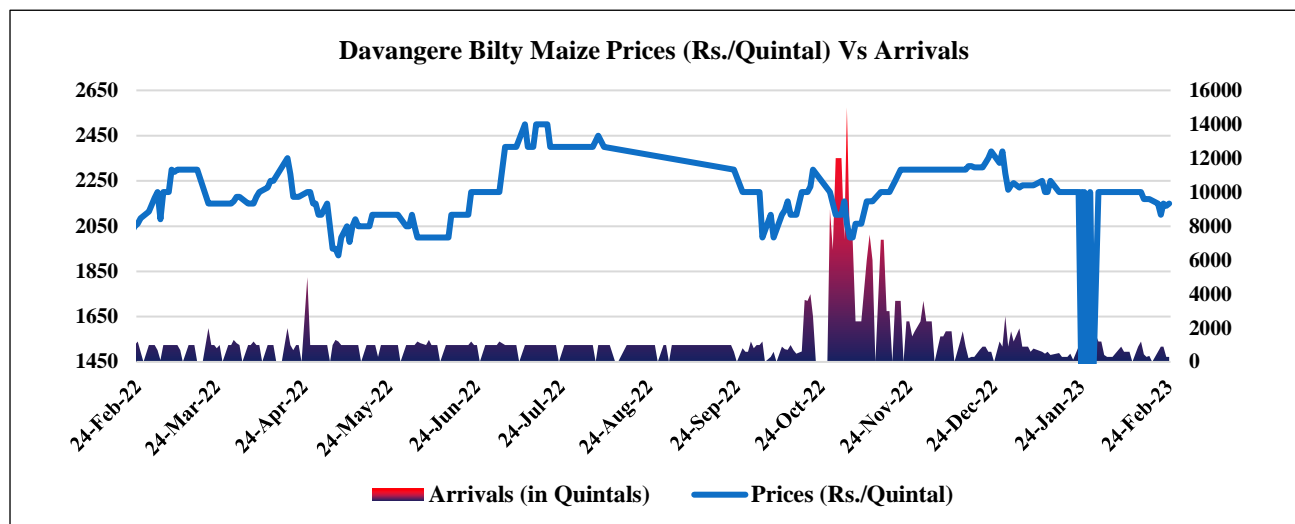


Technical Commentary:

- During the week under review, Maize Davangere prices extended previous week loss and closed at 2,150 levels, however, market made low of 2,100 and a high of 2,150.
- Market is currently facing near term resistance of 9, 18 and 50 EMA, can be characterized as near-term resistance. While, 100 EMA can be characterized as support.
- RSI is currently below 50, indicating weak buying strength and MACD is also indicating weak momentum.
- 2050-2100 is near term support and 2,150-2,200 is near term resistance and market is expected to trade rangebound in the range of 2100-2200 and if it breaches 2050 levels then it may witness further fall.

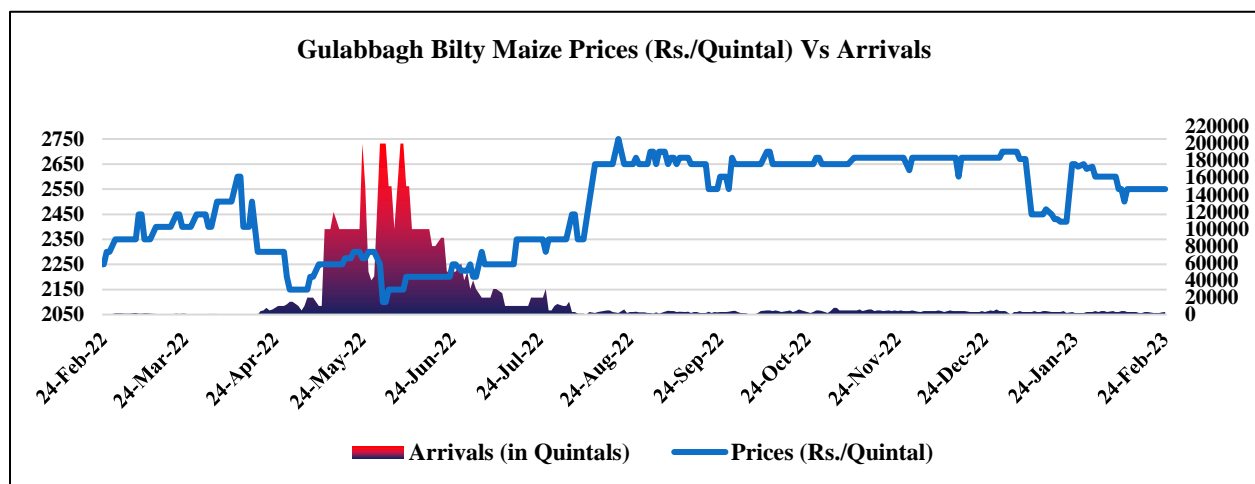
Recommendation-

- Market Participants are recommended to buy in the range of 2050-2100 and sell in the range of 2150-2200 in short run.



Maize Price Outlook for coming week: Davangere Maize mandi prices are currently trading at INR. 2,150/qtl. and are expected to trade range bound in the range of INR 2,050-2,150 in short run.

Maize Davangere Mandi Price Outlook (INR./Qtl)	Previous week 13 th Feb'23- 17 th Feb'23	Week under review 20 th Feb'23- 24 th Feb'23	Next week 25 th Feb'23- 03 rd Mar'23
Weekly Average Price	2,170-2,200	2,100-2,150	2,050-2150



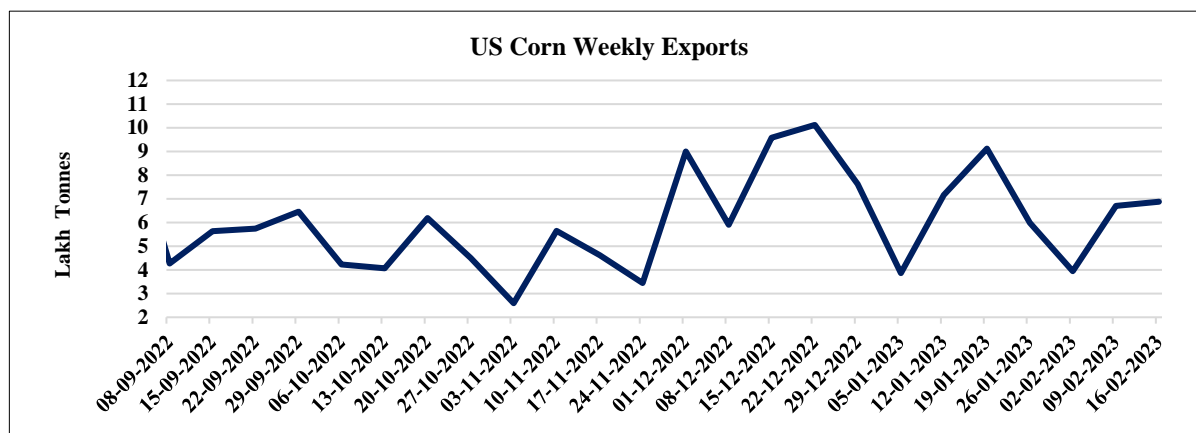
Exports

According to trade sources, India exported 4,95,416.14 MT of maize in January, 2023 for an average FOB of roughly 574.79 USD/MT. In addition, maize was exported to Bangladesh and Nepal in quantities of 1,42,649.35 MT and 29,839.36 MT, respectively, at average FOB of about 400.41 USD/MT and 375.04 USD/MT.

Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.82.76)				
	Argentina	Brazil	US	India

FOB	314.33	310.00	300.00	-
C&F	364.33	365.00	360.00	-

INTERNATIONAL SCENARIO



U.S. Maize exports have reached at 14.36 million metric tonne (MMT) for 2022-23 Marketing Year, with the exports of 0.69 MMT for the period of 9th February 2023 to 16th February 2023. Exports of 687,400 MT were up 3 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (272,300 MT), Japan (137,000 MT), Taiwan (83,600 MT), Guatemala (63,200 MT), and Colombia (36,700 MT).

As per February, 2023 WASDE report, Brazil, Ukraine, Paraguay, Turkey, and Indonesia are expected to export more corn than Argentina. Based on observed shipments to date, Brazil's exports are increased for the marketing year beginning in March 2022, while Argentina's exports are decreased. The EU will import more corn in 2022–2023, somewhat offsetting losses in Indonesia and Malaysia. In comparison to last month, foreign corn ending stocks are down, with decreases for Ukraine and Indonesia partially offsetting rises for Brazil and Canada. With 295.3 million tonnes, global corn ending inventories are down 1.1 million tonnes.

Corn on CBOT

Corn on CBOT was down by 6.89 USD to 259.93 per MT for Mar'23 contract, as compared to previous week. AgriWatch expects that for upcoming week also, corn on CBOT would trade bearish.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	24-Feb-23	20-Feb-23	Change
Corn CBOT Prices	Mar-23	259.93	266.819	-6.89
	May-23	259.54	266.720	-7.18
	July-23	256.19	262.193	-6.00
	Sep-23	236.21	240.442	-4.23

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