

# Maize-Weekly Fundamental Report

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## WEEKLY DIGEST AND OUTLOOK

Arrivals at both Davangere and Gulabghat markets witnessed a decline during the current week.

In Davangere benchmark market weekly average price were reported marginally higher than previous week, whereas in Gulabghat, prices remained unchanged.

Corn on CBOT exceeded previous week's loss by 5.91 USD to 254.02 per MT for Mar'23 contract.

**Outlook:**

Prices are most likely going to trade rangebound in the upcoming week.

## WEATHER SCENARIO

As per the latest forecasts, Tamil Nadu, Andhra Pradesh, and Karnataka are expected to experience dry weather in the upcoming days, with similar conditions predicted for Bihar, Madhya Pradesh, and Maharashtra. The current stage of maize growth is likely to benefit from these weather conditions.

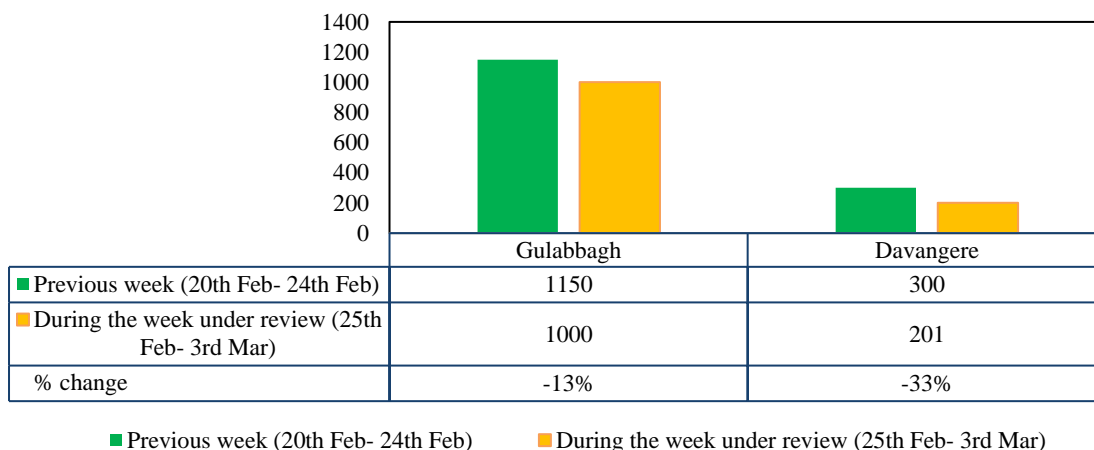
## DOMESTIC SCENARIO

### Rabi Maize Sowing Update

According to the final data released by the Ministry of Agriculture on February 2, 2023, maize has been cultivated on 22.67 lakh hectares of land this year, which represents an increase of nearly 16% compared to the 19.48 lakh hectares sown last year.

### New Rabi Arrivals/Supply in Markets

#### Weekly Maize Arrivals (in tonnes)



During this week, Davangere received 201 tonnes arrivals which is down by 33% from 300 tonnes previous week, due to tight supply and lull demand. However, in Gulabbagh mandi also the quantity of arrivals declined to 1000 tonnes, down by 13% from 1150 tonnes last week due to poor demand.

### Spot Price

During the week under review, market remained rangebound. Farmers and stockists are hesitant ready to sell their crop even at cheaper price amid poor demand. However, the quality of maize deteriorates over time, which will impact on its prices forcing farmers to come to the mandi.

| Maize (Corn)Weekly Prices: |                     |           |           |           |           |           |
|----------------------------|---------------------|-----------|-----------|-----------|-----------|-----------|
| Market                     | Grade               | 03-Mar-23 | 24-Feb-23 | 31-Jan-23 | 02-Mar-22 | 02-Mar-21 |
| Naugachia                  | Bilty               | 2150      | 2150      | 2400      | 2325      | 1450      |
| Delhi                      | Hybrid Maize (U.P.) | 2300      | 2340      | 2360      | 2250      | 1550      |
| Davangere                  | Loose               | 2150      | 2150      | 2200      | 2175      | 1500      |
| Shimoga                    | Bilty               | 2200      | NR        | 2235      | 1700      | NR        |
| Ranebennur                 | Bilty               | NR        | NR        | NR        | 2090      | NR        |
| Bagalkot                   | Hybrid/Local        | 2050      | 2120      | 2145      | NR        | 1450      |
| Gadag                      | Local               | 1365      | NR        | 1569      | NR        | 1370      |
| Nizamabad                  | Bilty               | NA        | NA        | NA        | NA        | 1500      |
| Khanna                     | Bilty               | 2130      | 2200      | 2400      | 2120      | 1350      |
| Sangli                     | Feed                | 2353      | 2341      | 2331      | 2292      | 1710      |
| Ahmedabad                  | Feed                | 2300      | NR        | NR        | 2225      | 1480      |
|                            | Starch              | 2300      | NR        | NR        | 2200      | 1500      |

During this week, loose arrivals at the benchmark market in Davangere were sold for an average price of 2,146 INR per quintal, which is slightly higher than 2,138 INR per quintal reported in the previous week. The price range for this week was between Rs. 2,140 and Rs. 2,150. In Bengaluru, the average price remained unchanged from the previous week at Rs. 2,250 per quintal. On the other hand, in Namakkal, the average price rose to Rs. 2,350 per quintal, compared to Rs. 2,310 per quintal last week. However, at Gulabbagh, the average bilty price remained steady at Rs. 2,550 per quintal, the same as last week.

### Domestic Demand and Trade

During the week under review, maize market showed no major volatility due to tight supply, and poor demand amid bad quality of maize in some markets. The arrivals are expected to start from mid-March onwards, however, in the month of April, market might show some movement but until then prices are likely to show weak momentum.

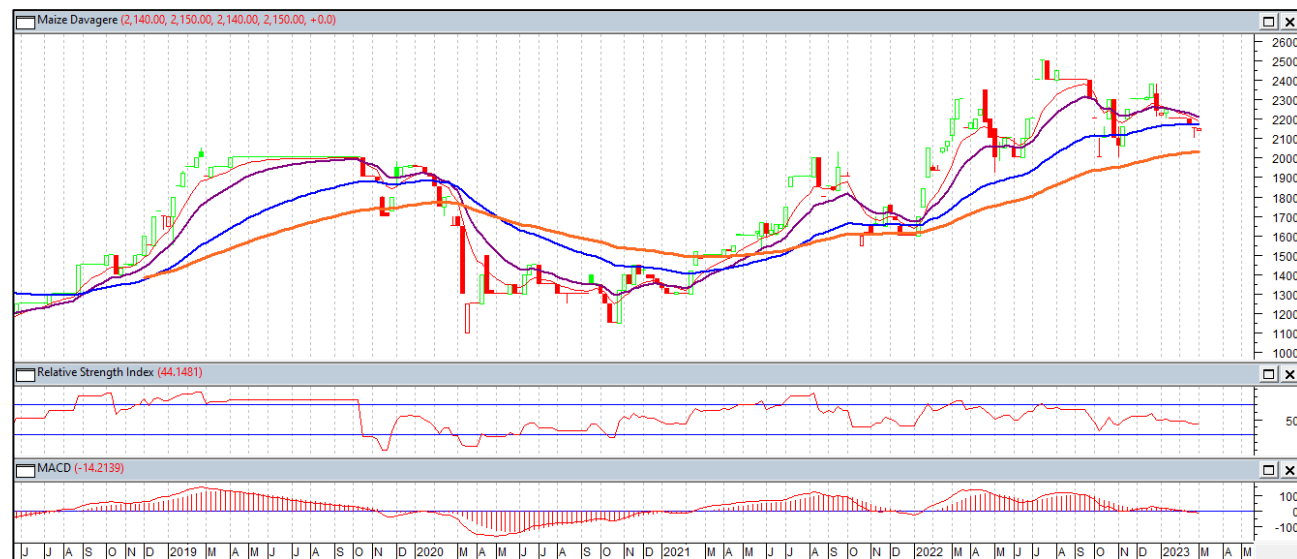
## Technical Analysis (Domestic market)

(Based on Davangere mandi prices)

### Maize – Technical Outlook

### Maize Davangere Mandi prices -Weekly time frame

#### Technical Chart:

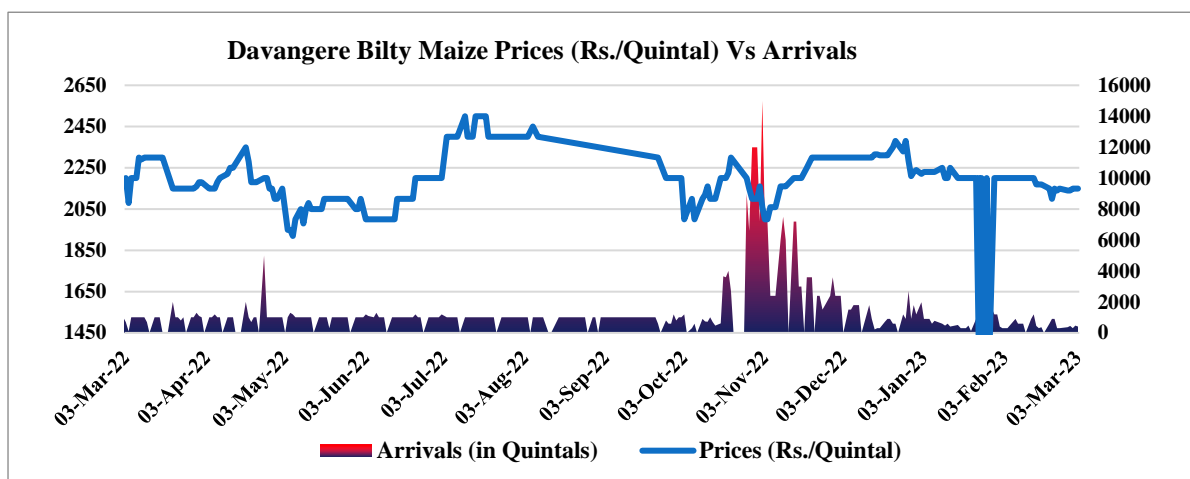


#### Technical Commentary:

- During the week under review, Maize Davangere prices remained sideways and closed at 2,150 levels, however, market made low of 2,140 and a high of 2,150.
- Market is currently facing near term resistance of 9, 18 and 50 EMA. While, 100 EMA can be characterized as support.
- RSI is currently below 50, indicating weak buying strength and MACD is also indicating weak momentum.
- 2,100-2,150 is near term support and 2,150-2,200 is near term resistance and market is expected to trade rangebound in the range of 2100-2,200 and if it breaches 2,050 levels then it may witness further downfall.

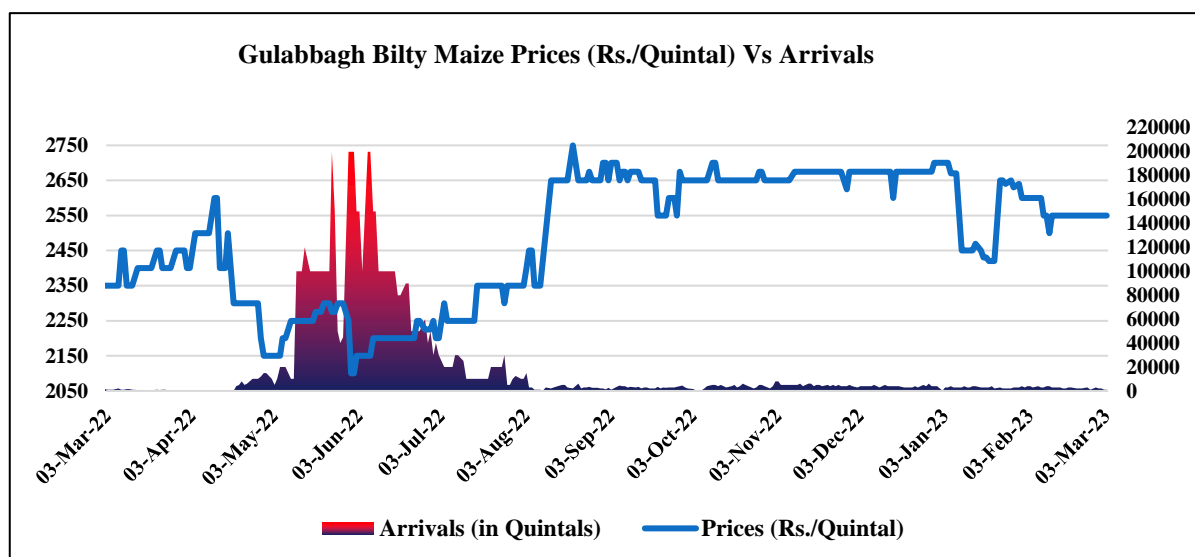
#### Recommendation-

- Market Participants are recommended to buy in the range of 2,100-2,150 and sell in the range of 2,150-2,200 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 2,100-2,200 in short run.

| Maize Davangere Mandi Price Outlook (INR./Qtl) | Previous week<br>20 <sup>th</sup> Feb'23- 24 <sup>th</sup> Feb'23 | Week under review<br>25 <sup>th</sup> Feb'23- 03 <sup>rd</sup> Mar'23 | Next week<br>4 <sup>th</sup> Mar'23- 10 <sup>th</sup> Mar'23 |
|--|---|---|--|
| Weekly Average Price                           | 2,100-2,150   | 2,140-2,150   | 2,100-2200   |



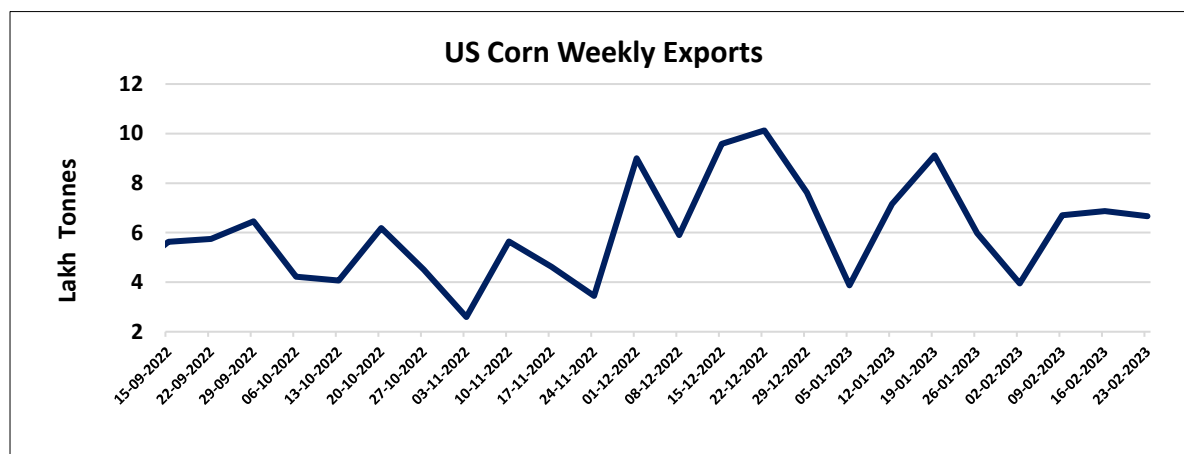
## Exports

As per trade sources, India exported a total of 495,416.14 metric tons of maize in January of 2023, at an average free on board (FOB) price of approximately 574.79 USD per metric ton. Furthermore, quantities of maize were also exported to Bangladesh and Nepal, with 142,649.35 metric tons and 29,839.36 metric tons respectively, at average FOB prices of approximately

400.41 USD per metric ton and 375.04 USD per metric ton.

| Weekly Averages of FOB and C&F Rate to Thailand (\$1=Rs.82.64) |           |        |        |       |
|--|-----------|--------|--------|-------|
|  | Argentina | Brazil | US     | India |
| FOB  | 310.00    | 293.25 | 288.00 | -     |
| C&F  | 360.00    | 348.25 | 348.00 | -     |

## INTERNATIONAL SCENARIO



U.S. Maize exports have reached at 15.02 million metric tonnes (MMT) for 2022-23 Marketing Year, with the exports of 0.67 MMT for the period of 16<sup>th</sup> February 2023 to 23<sup>rd</sup> February 2023. Exports of 666,400 MT were down 3 percent from the previous week, but up 13 percent from the prior 4-week average. The destinations were primarily to Mexico (338,700 MT), Colombia (126,700 MT), Japan (85,400 MT), Honduras (51,900 MT), and Canada (14,600 MT).

## Corn on CBOT

Corn on CBOT was down by 5.91 USD to 254.02 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 | 03-Mar-23 | 24-Feb-23 | Change |
| Corn<br>CBOT<br>Prices                            | Mar-23         | 254.02    | 259.93    | -5.91  |
|   | May-23         | 251.86    | 259.54    | -7.68  |
|   | July-23        | 247.23    | 256.19    | -8.96  |
|   | Sep-23         | 229.81    | 236.21    | -6.40  |

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