

## EXECUTIVE SUMMARY

As per Cargill India Chairman Siraj A Chaudhry, Cargill is likely to invest about Rs 400 crore to set up a corn milling plant in Karnataka which will produce modified starch for the consuming processed food and pharma industries. The capacity of plant will be 800-1,000 tons per day.

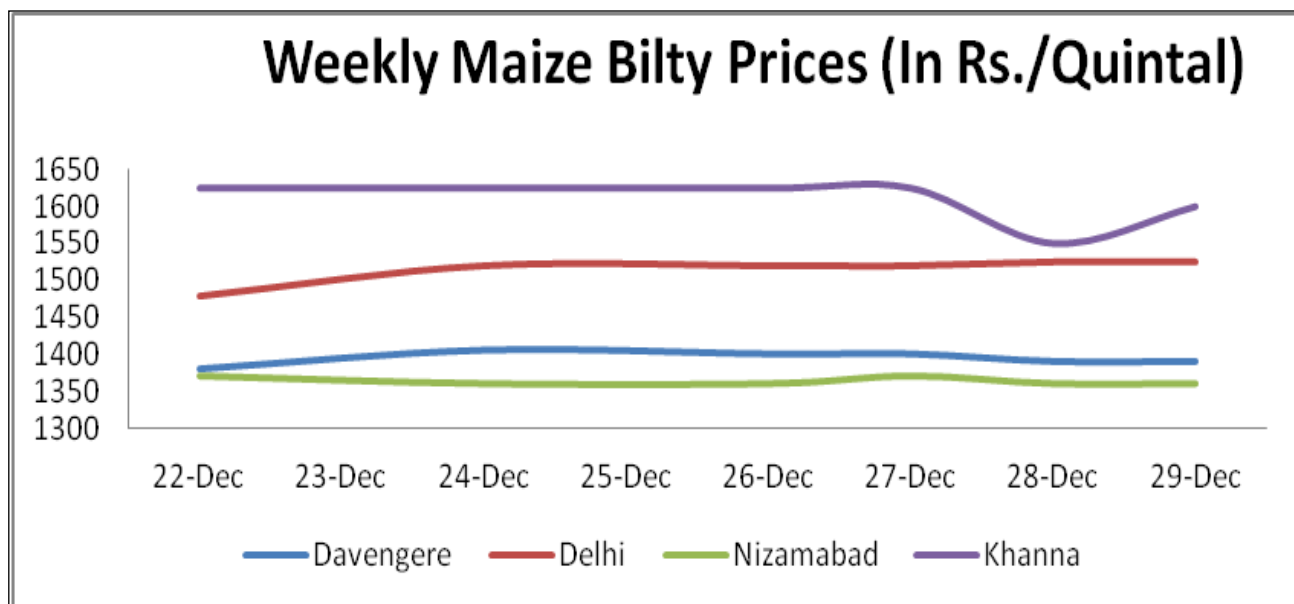
Ahmadabad feed millers of Gujarat region are purchasing maize from Maharashtra region at around Rs. 1550 per quintal. Sources revealed that demand from starch industries could increase in coming weeks and lead the maize prices. Meanwhile, Demand for maize from the Kolkata feed millers reported at around Rs. 1560 per quintal sourced from Bihar which contains 12-13% moisture level.

In Delhi spot market, maize could trade higher in the coming days as good demand from poultry and hatchery has aroused.

As per the latest data released by the Ministry of Agriculture, area sown under maize during Rabi season for 2012-13 is estimated higher by 0.21 lakh hectares to 9.59 lakh hectares.

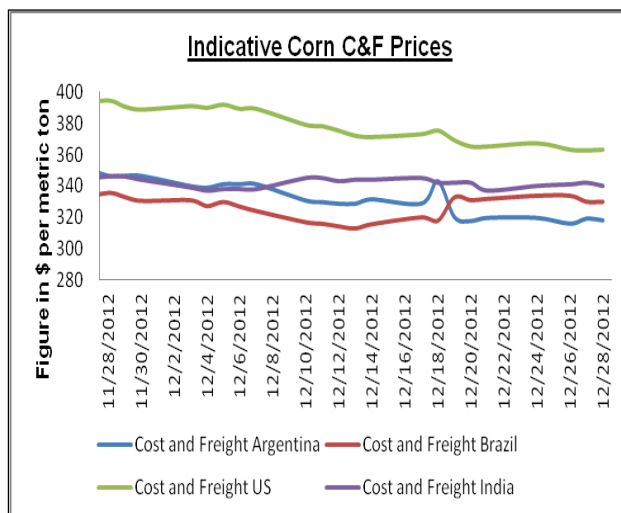
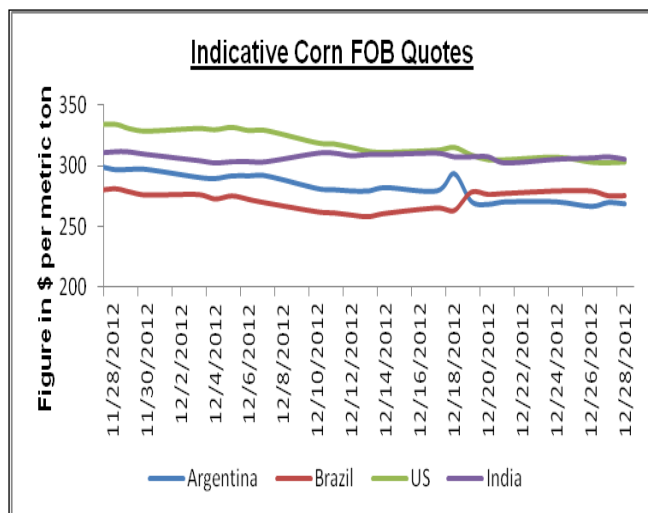
During the week, Koppal wagon bilty rate quoted at Rs. 1410-1415 per quintal. Sources revealed that 1 rake each has been moved towards Chennai and Mangalore port on daily basis.

Maize prices are hovering at around Rs 1319 per quintal on an average on pan India basis, same from the previous week.



## ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$340) increased by \$3.00 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$363) and getting stiff competition from Brazil C&F (~\$330.15) and Argentina Maize C&F prices (~\$318.41).



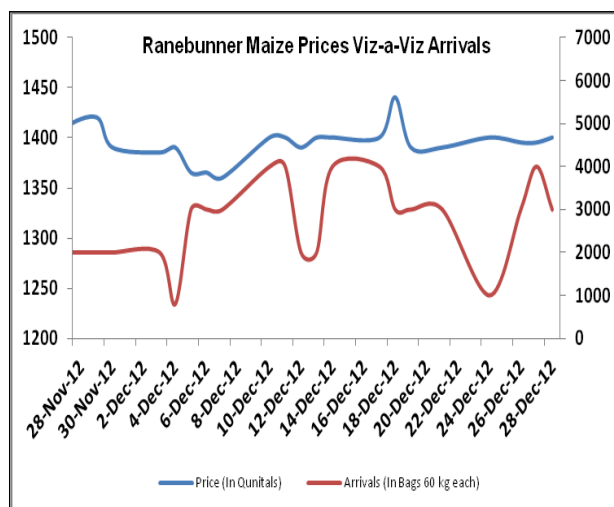
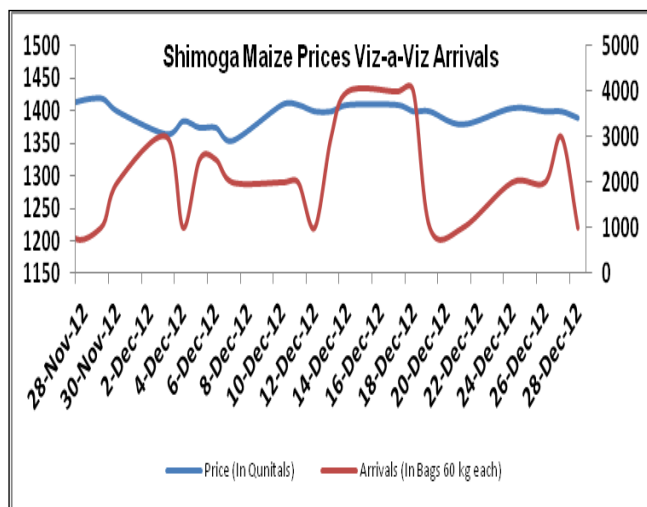
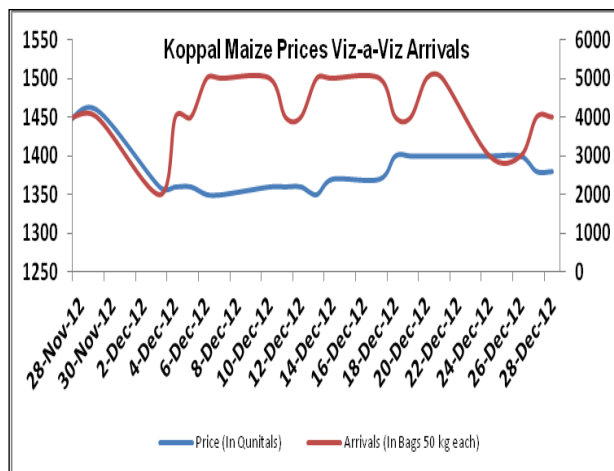
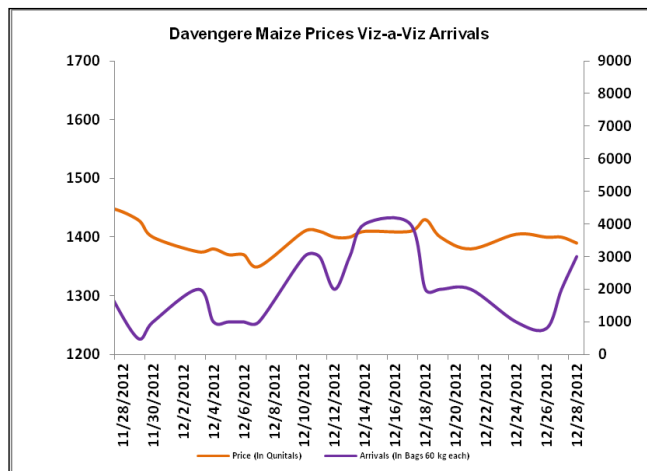
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 54.84)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	268.41	275.15	303.00	305.00
Incl Cost and Freight (C&F)	318.41	330.15	363.00	340.00

## CURRENT MARKET DYNAMICS:

During the week, mixed sentiments witnessed in major maize spot markets. Here are the various key spot markets dynamics below:

**Andhra Pradesh:** In the Nizamabad region of A.P., demand for maize was reported from local starch industry in a range of Rs. 1360-1370 per quintal.

**Karnataka:** During the week, Koppal wagon bilty rate quoted in a range of Rs. 1410-1415 per quintal. Sources revealed that 1 rake each has been moved towards Chennai and Mangalore port on daily basis.



**Bihar:** Demand for maize from the Kolkata feed millers reported at around Rs. 1565 per quintal sourced from Bihar which contains 12-13% moisture level. Sources revealed that prices could not go down from this level due to lower stock. Meanwhile, lower acreage due to shift in area towards wheat also support the maize prices.

**Delhi:** Despite the higher demand, maize prices were trading steady in the delhi spot market. Sources revealed that maize could trade higher in the coming days as good demand from poultry and hatchery has aroused.

**BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:**

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
<b>Delhi</b>	15250 (UP origin)		
<b>Gujarat</b>	15500 (Maharashtra Origion)		
<b>Hyderabad</b>	14000 (A.P. region)		
<b>Chennai</b>		14100 (Karnataka region)	
<b>Mangalore</b>		14100 (Karnataka region)	
<b>Kolkata</b>	15650 (Bihar region)		

**MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)**

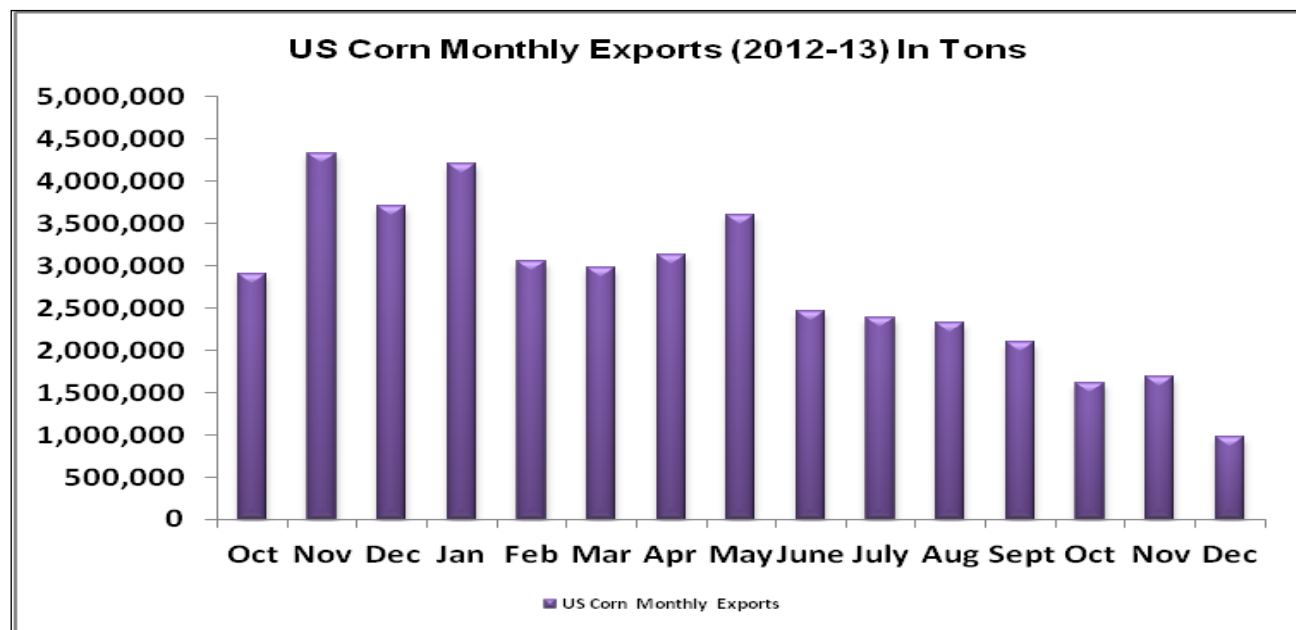
Market	Grade	28 Dec ,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
<b>Delhi</b>	Hybrid	1525	1525	1525	1380	-
<b>Davangere</b>	Bilty	1390	1380	1430	1350	1150
<b>Naugachia</b>	Bilty	-	-	-	-	-
<b>Nizamabad</b>	Bilty	1360	1370	1410	1275	1145
<b>Ahmedabad</b>	Feed	1500	1510	1500	1340	1280
	Starch	1550	1580	1550	1380	1310

**DOMESTIC MAIZE OUTLOOK:**

*We expect maize prices could rebound in the days ahead in both futures as well as spot markets as big institutional buyers jump into the market that could drive the prices upwards.*

### INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

As per USDA, U.S. corn export figures reached to 6377897 metric tons for the 2012-13 marketing year which is lowered by ~52% from the last marketing year during the same period, down by 34 percent from the prior week and 15 percent prior 4-week average. Out of total weekly exports of 2,86,600 MT reported by U.S. to Japan (142,800 MT), Mexico (67,800 MT), Taiwan (31,800 MT), Honduras (28,400 MT), and Venezuela (10,000 MT).



Some Other major International Corn Highlights during the week are:

- As per the state quarantine service, Ukraine's state-run DPZKU grain company and private grain firm Rise are likely to be the first exporters of Ukrainian maize to China. Ukraine said it planned to export about 2 million tons of maize to China in the 2012/13. (Source: Reuter)
- As per European traders, Taiwan Sugar Corp has rejected to buy a tender for 23,000 ton corn which had sought shipment between Feb. 9-23 from the U.S. Gulf Coast or Feb. 24-March 9 from the U.S. Pacific Northwest. (Source: Reuter)

## INTERNATIONAL MAIZE OUTLOOK:

*Corn CBOT prices decreased last week due to lower corn exports and concern over U.S. fiscal crisis.*

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	21/12/2012	20/12/2012	Change
Corn CBOT Prices	Mar-13	272.17	274.14	-1.97
	May-13	273.36	275.42	-2.06
	Jul-13	272.37	274.44	-2.07
	Sep-13	243.05	245.11	-2.06

## CBOT CORN FUTURES OUTLOOK:



(CBOT Corn Chart: Mar Contract)

- Candlestick chart pattern reveals downward trend in the market.
- Strategy: **Markets participants should sell Corn CBOT at current level and the target would be 679 cents/bushels for next week.**

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(January Contract Weekly Chart)**

- Candlestick formation reveals that prices could get support at current level and rebound at the 1390 level in the near term.
- **Strategy:** Buy on dips.

**Maize NCDEX (January)**

Support & Resistance				
S2	S1	PCP	R1	R2
1330	1344	1371	1392	1420

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