

EXECUTIVE SUMMARY:

Firm sentiments witnessed in key spot markets of maize during the month of November.

According to news sources, the 2012/13 summer-sown maize output is likely to be at 14.89 million tons, down from 16.22 million tons in the last year, is also supporting the maize prices.

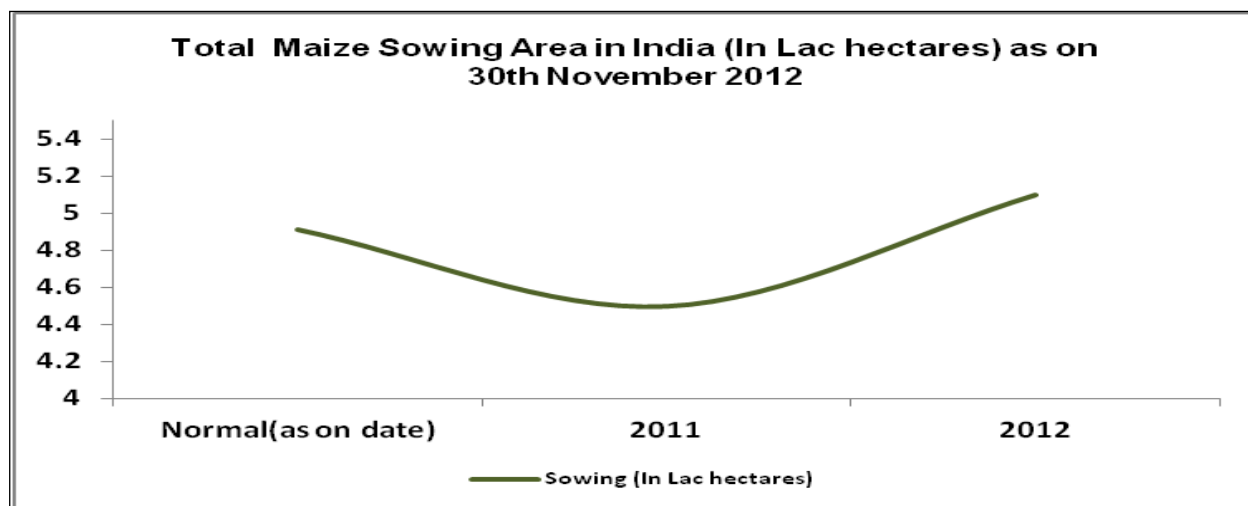
On daily basis around 1000-2000 tons of maize is moving towards Pipavav port of Gujarat at Rs.1525 per quintal sourced from the Ahmadabad region of Gujarat. Maize is also moving towards Kolkata at around Rs.1550 per quintal from Bihar. Meanwhile, around 400 tons is moving towards Bangalore at Rs 1480 per quintal sourced from Koppal.

Maize is moving towards Hyderabad at Rs. 1430 per quintal sourced from Nizamabad region of A.P. Sources revealed that maize prices could trade in a range due to limited supply and demand in the market.

Koppal wagon bilty rate quoted at 1400-1410 per quintal. Rakes moved from Koppal towards Chennai and Mangalore ports, contained 14% moisture level.

Ahmadabad feed millers of Gujarat region are purchasing maize from Maharashtra region at around Rs. 1500 per quintal.

RABI SOWING UPDATE:

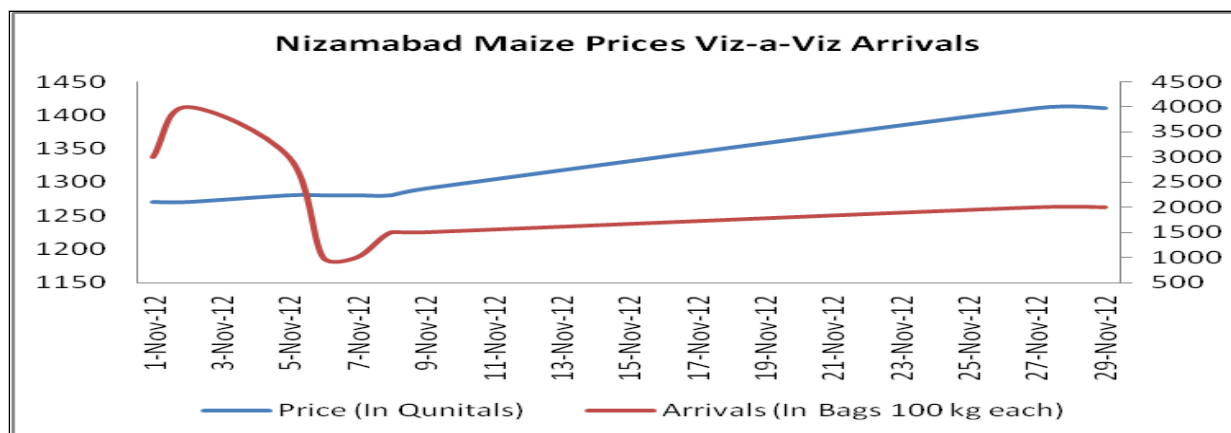
India


STATE WISE RABI SOWING

State	Normal Area	Average Area (As on Date)	Area Covered (2012-13)	Area Covered (2011-12)	Absolute Change	Y-O-Y (% Change)
Andhra Pradesh	2.792	0.94	1	1.01	-0.01	-0.99%
Bihar	3.277	0.796	0.56	0.63	-0.07	-11.11%
Chhattisgarh	-	-	0.01	-	-	-
Guajrat	0.813	0.165	0.22	-	-	-
Jharkhand	0.121	0.026	0.02	0.02	-	-
Karnataka	1.216	0.768	0.85	0.77	0.08	10.39%
Maharashtra	1.184	0.602	1.049	0.781	0.268	34.31%
Orissa	0.028	0.012	0.005	0.023	-0.018	-78.26%
Tamil Nadu	0.811	1.201	0.824	0.842	-0.018	-2.14%
Uttar Pradesh	0.192	0.218	0.242	0.16	0.082	51.25%
West Bengal	0.52	0.13	0.18	0.19	-0.01	-5.26%
Others	0.34	0.053	0.138	0.071	0.067	94.37%
All-India	11.355	4.911	5.098	4.497	0.601	13.36%

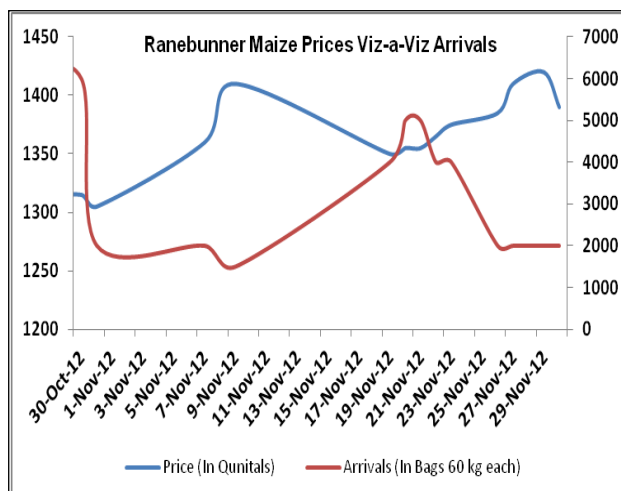
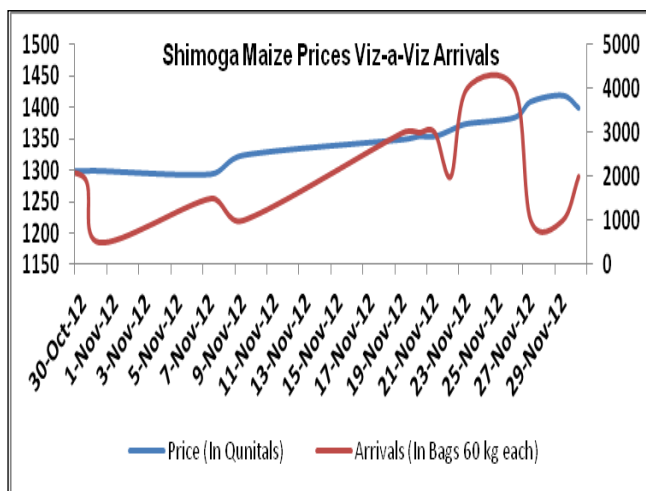
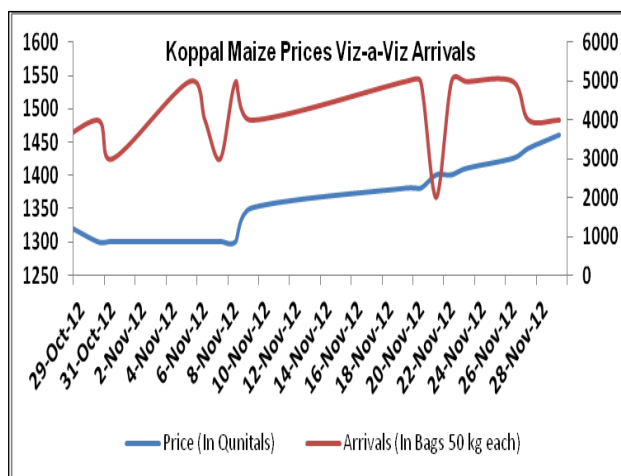
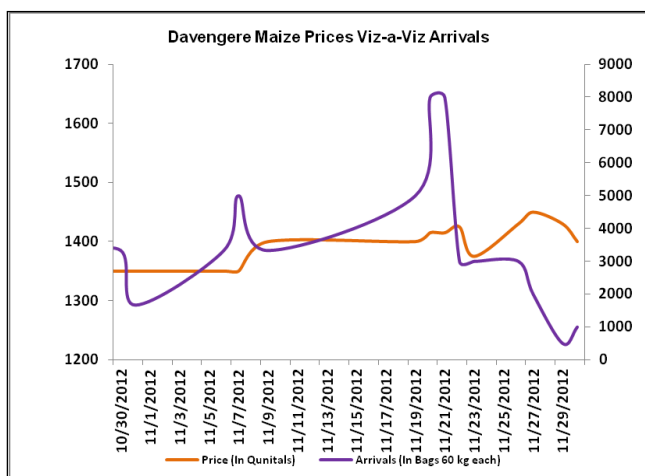
STATE - WISE MARKET DYNAMICS
ANDHRA PRADESH

In Nizamabad region of A.P., maize spot market were trading firm due to higher poultry demand with the limited supply. It is notable that around 1000-2000 bags of maize is arriving daily in the market at present which was around 4000-5000 bags last year same period.



KARNATAKA

In Karnataka, maize spot markets were trading higher during the month due to the higher demand. Koppal wagon bilty rate quoted at 1400-1410 per quintal. Meanwhile, 1 rake each has been moved towards Chennai and Mangalore port. Sources revealed that around 400 tons is moving on daily basis towards Bangalore at Rs 1480 per quintal sourced from Karnataka.

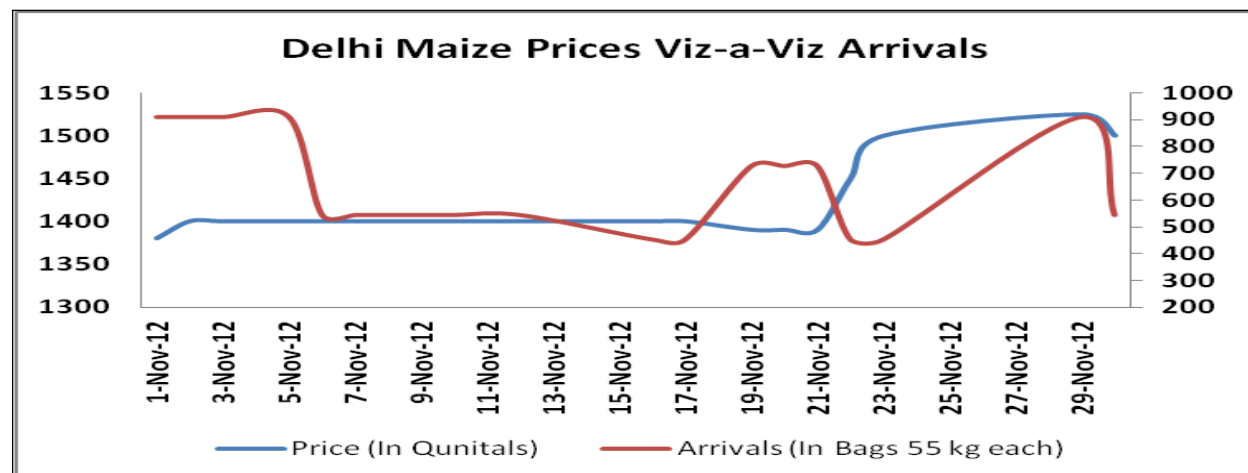


BIHAR

Demand for maize from the Kolkata feed millers reported higher during the month at around Rs. 1550 per quintal.

DELHI

In Delhi market, maize prices were trading firm due to lower supply and higher demand.



Month-wise Average prices of Maize at various markets					
Market	2011-Nov	2012-Oct	2012-Nov	% Change from Prev. Month	% Change from Prev. Year
Delhi (U.P origin)	-	1380	1500	8.7	-
Naugachia	-	-	-	-	-
Davangere	1100	1350	1400	3.7	27.27
Nizamabad	1050	1260	1410	11.9	34.28

INDIA MAIZE BALANCE SHEET

All Units in Million Tons	2010-11	2011-12	2012-13	y-o-y 2011	y-o-y 2012
Opening stocks	0.48	1.13	1.04	135.14%	-7.96%
Production	21.73	21.60	18.00	-0.60%	-16.67%
Imports	0.02	0.01	0.01	-50.00%	-
Total Availability	22.23	22.74	19.05	2.29%	-16.23%
Domestic consumption	18.00	16.90	18.00	-6.11%	6.51%
Exports	3.10	4.80	1.00	54.84%	-79.17%
Total Usage	21.10	21.70	19.00	2.84%	-12.44%
Closing stocks	1.13	1.04	0.05	-7.96%	-95.10%

Average Monthly consumption	1.50	1.41	1.50	-6.11%	6.51%
Stocks in months to use	0.75	0.74	0.03	-1.97%	-95.40%
Stock/Consumption Ratio	0.06	0.06	0.00	-1.97%	-95.40%

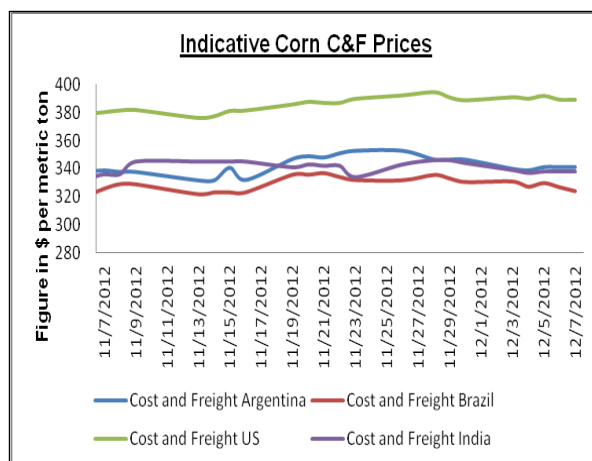
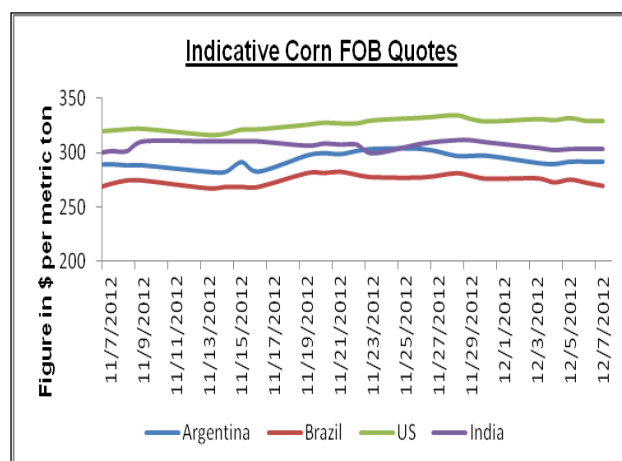
PRICE OUTLOOK:

Lower than expected supply amid higher feed maker demand could keep maize prices firm in the months ahead.

ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$338.00) increased by \$2.00 per ton during the month compared to the prior month.

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 54.2)				
	Argentina	Brazil	US	India (Davigere Origin)
FOB	291.44	269.2	329.3	303.00
Incl Cost and Freight (C&F)	341.44	324.2	389.3	338.00



Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$389.3) and Argentina Maize C&F prices (~\$341.44) and getting stiff competition from Brazil C&F (~\$324.2).

On the export front, in the current marketing year (Oct12-Sep13), total maize exports reported around 0.406 million tons during the October- November month. Sources revealed that demand for Indian origin maize in the international market is weak as the traditional maize importers from India are still awaiting arrivals with moisture content between 12-13%. As per reports, moisture content still remains in the range of 14-15%.

FUTURES MARKET ANALYSIS: NCDEX MAIZE (JANUARY WEEKLY FUTURE CHART)


- As the chart depicts, maize prices could trade firm in the near term.
- RSI is moving up in neutral region.
- Prices closed above 3 days and 5 days EMAs indicates to bullish sentiment.
- **Strategy:** Buy from near 1457 level and target would be 1485 level.

MAIZE NCDEX (JANUARY MONTHLY) (IN Rs/QTL.)

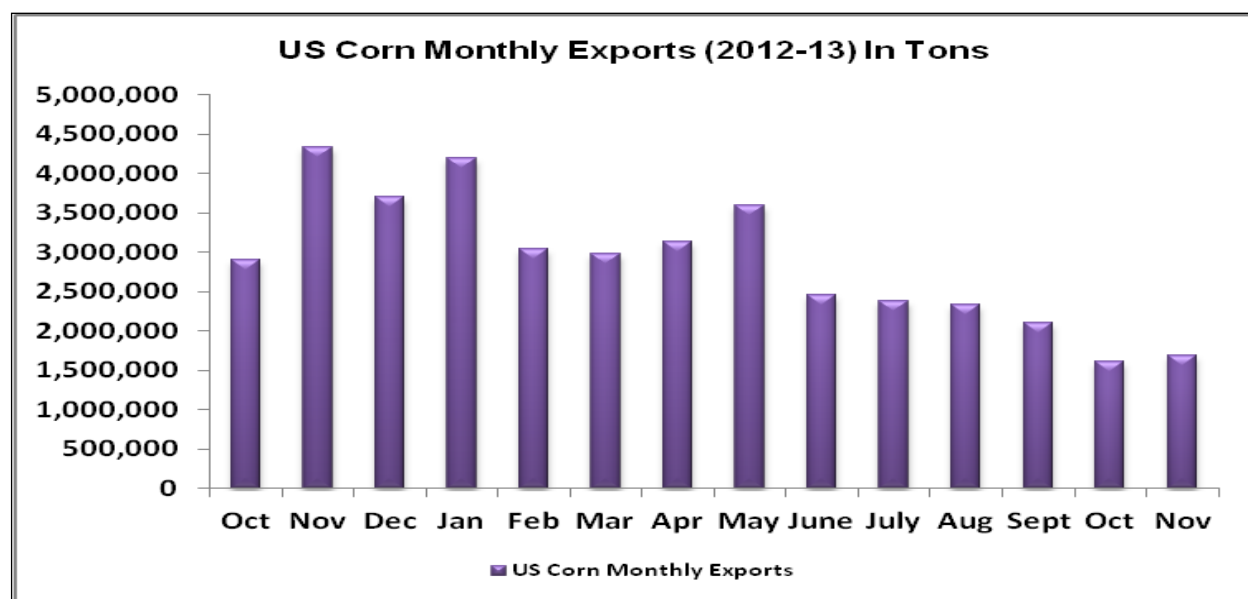
Support & Resistance				
S2	S1	PCP	R1	R2
1407	1443	1471	1487	1559

INTERNATIONAL MARKET SCENARIO:

International corn sentiments are not looking bearish for medium to long term due to declining corn yields from US and concern over corn harvesting in Argentina as wet conditions not allow farmers to harvest their standing crop.

However, for short term prices might go down in the initial period of the month as trade houses and market participants are waiting for next USDA estimate.

As per USDA, U.S. corn export figures reached to 5399449 metric tons for the 2012-13 marketing year which is lowered by ~46% from the last marketing year during the same period. Out of total weekly exports of 292800 MT reported by U.S. to China (109,000 MT), Japan (49,600 MT), Mexico (47,200 MT), Venezuela (33,000 MT), Cuba (25,000 MT), and Guatemala (19,000 MT).



International Corn Highlights

- As per European Traders, Maize Industry Procurement Association (MIPA) of Taiwan purchased 60,000 tons of corn sourced from Brazil.
- Informa Economics has reduced its Argentina corn crop production for 2012-13 by 1 million tons to 27 million tons and Brazilian corn crop production by 0.6 million tons to 66.2 million tons compared to previous estimate. However, increased China corn crop production estimates by 7.1 million tons to 208.1 million tons.
- Informa has projected the 2013 US corn plantation at 97.7 million acres from 97.536 million acres previously estimated and higher from the 96.9 million acres corn planted in 2012.
- As per Brazilian trade ministry, Brazil corn exports increased to 3.91 million tons from 3.66 million tons due to strong demand.

- As per European traders, a group of Israeli private buyers issued an international tender to purchase 115,000 tons of corn. Shipment of 30,000 tons of corn was sought between Jan. 20 to Feb. 10, 45,000 tons between Feb. 20 to Mar. 10 and 40,000 tons between Mar. 20 to Apr. 10.
- Reuters expects Brazil's corn production for 2012-13 crop years at 70 million tons, down 4.1 per cent from last season's figure of 73 million tons as farmers have favored soybean planting this season.
- Due to excessive rainfall in the months of August and September, corn harvesting is expected to be delayed in Argentina. Argentina is also likely to witness a lower than forecasted corn harvest this season by 20 per cent.
- As per Proagro analyst, Ukraine is likely to limit maize exports next spring due to limited stocks and high demands combined with wheat export curbs.
- U.S analyst has lowered its Argentina corn production forecast for 2012-13 to 22.5 million tons from 26 million previously estimated due to excessive rains and flooding that have delayed planting. However, the Argentine growing season is just beginning so corn yield prospects could spring back if wet conditions continue.
- South Korea's largest feedmaker NOFI bought a total of 139,000 tons of corn for arrival between February and March via tenders. 69,000 tons from Cargill at \$335 and 70,000 tons from Louis Dreyfus at \$337.
- Malaysian feed millers bought around 50,000 tons of Ukrainian corn for January shipment.
- USDA expects Argentina to harvest 28 million tons of corn in the current 2012/13 crop year.
- China confirmed that it would store corn grown domestically at higher prices than last year to help farmers' incomes. As per State Administration of Grain, The government will pay 2,100-2,140 yuan per ton of corn to farmers in northeastern provinces, the country's major corn area.
- Japanese corn imports were reported as 11.10 million tons for Jan-Sep 2012, down 3.4 per cent from a year earlier. Imports are expected to reduce as Japan's use of corn in animal feed continues to fall due to the higher prices seen earlier this year.
- Ukraine has planned to increase the area under maize by 5-10 per cent in 2013 to attain higher harvests. It had increased the maize plantation area by 1.0 million hectares to 4.5 million hectares in 2012 and is expecting a harvest of about 20 million tons this year. China is likely to be a major export destination for Ukraine's maize exports.
- As per the IGC report, the 2012-13 world corn production figures is estimated to be at 830 million tons, unchanged from the Oct 2012 estimate. The northern hemisphere harvest is almost complete with sharp y/y declines in the US, Ukraine and EU. However, output in the southern hemisphere is still expected to be high. Tight stock situation is expected in 2012-13, especially in the four major exporters, where carryovers may fall to a 16-year low.

IGC Global Corn Estimate					
	2011-12 E	201213 (forecast)			
		Oct	Nov	% change MOM	% change YOY
Production	876	830	830	-	-5.54%
Trade	97	93	94	1.06%	-3.19%
Consumption	873	848	849	0.12%	-2.83%
Carryover Stock	134	117	116	-0.86%	-15.52%
YOY change	3		-18		

OUTLOOK:

Concern over lower expected harvesting in Argentina could support U.S. corn prices.

Maize CBOT Monthly Futures Price Listing (Cents/bushel)				
	Contract Month	29/11/2012	31/10/2012	Change
Corn CBOT Prices	Dec-12	295.79	297.46	-1.67
	Mar-13	298.64	297.96	0.68
	May-13	298.35	296.18	2.17
	Jul-13	295.10	292.84	2.26

CBOT MAIZE MONTHLY CHART: MARCH 2012 CONTRACT



- As the chart depicts, corn prices could test 38.2% retracement level i.e. 716 US cents per bushels in the near term.
- Strategy: **Markets participants should sell Corn CBOT at current level and the target would be 716 US cents/bushels.**

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