

## EXECUTIVE SUMMARY

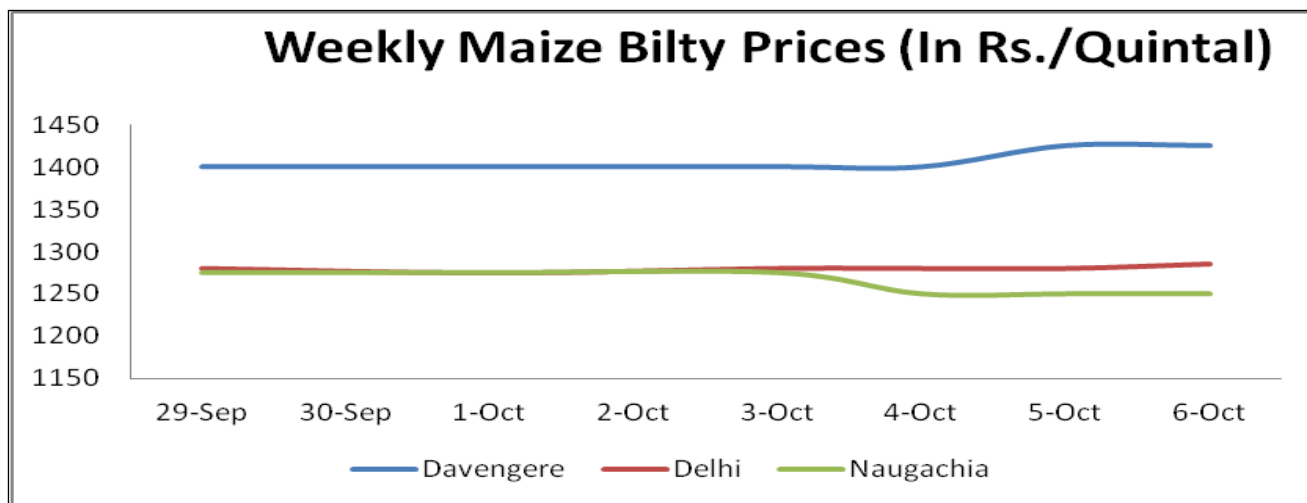
Steady price sentiments witnessed in the major spot markets of maize during the week ended on 6<sup>th</sup> October 2012.

In Nizamabad region of Andhra Pradesh, favorable weather conditions reported for harvesting and there are chances of increase in arrivals in coming days. Despite the crop arrival pressure, we are expecting that prices will trade steady in A.P. region as demand is higher at the lower price level.

Sluggish demand from poultry and starch was reported from the Ahmadabad region of Gujarat as they have around 20 days maize stock sourced from U.P. region.

However, Punjab poultry farms have shifted demand towards bajra from maize.

Maize prices are hovering at around Rs 1228 per quintal on an average on pan India basis, increased by around 2.7% compared to last week.



### ON THE EXPORT FRONT:

Indian C&F Maize prices increased at (~\$370) during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$384) and though getting stiff competition from Argentina (~\$320.47) and Brazil C&F (~\$293).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 51.74)				
	Argentina	Brazil	US	India (Davengere Origin)
<b>FOB</b>	270.47	238	324	335
<b>Incl Cost and Freight (C&amp;F)</b>	320.47	293	384	370

On the export front, no major activities reported during the week as buyers are waiting for the prices to go down.

### CURRENT MARKET DYNAMICS:

Maize prices traded steady during the week. Here are the various key spot markets dynamics below:

**Andhra Pradesh:** Maize prices were slightly decreased in Nizamabad market in AP during the week ended 6<sup>th</sup> October 2012.

However, no rakes business has been reported this week from Nizamabad.

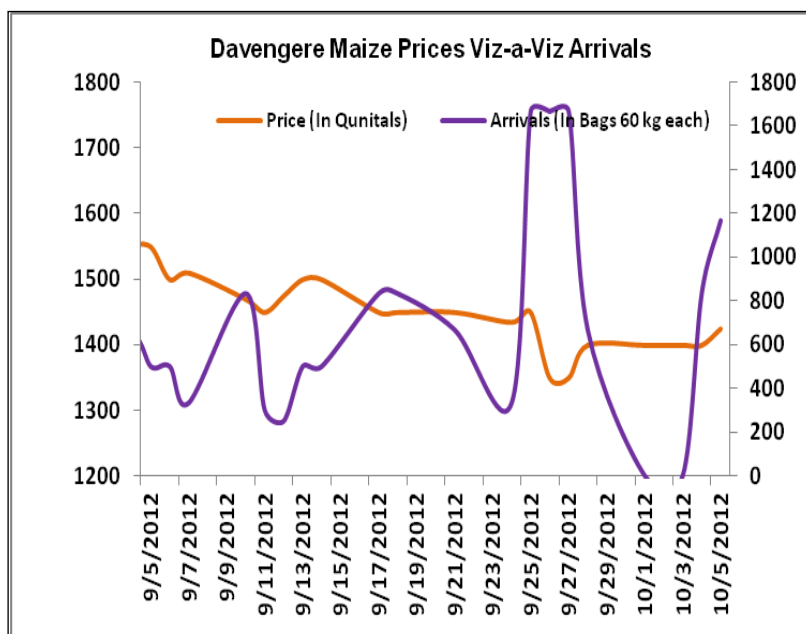
**Sowing Update:** In Andhra Pradesh, farmers has sown maize in 5.36 lakh hectares till 3rd October 2012 which is 0.9% higher as compared to last year and also higher from normal sown area as on date ~4.99 lakh hectares. Around 107% sowing has completed in AP till date. Maize new crop arrivals contain 16% moisture level.

In Nizamabad region of Andhra Pradesh, favorable weather conditions are reported for harvesting and there are chances of increase in arrivals in coming days. Maize' nizamabad market was closed on Monday due to protest for Telangana.

	2012	2011	Normal (as on date)	Normal (Season)
<b>Area Sown (In Lac hectares)</b>	<b>5.36</b>	5.31	4.99	4.99

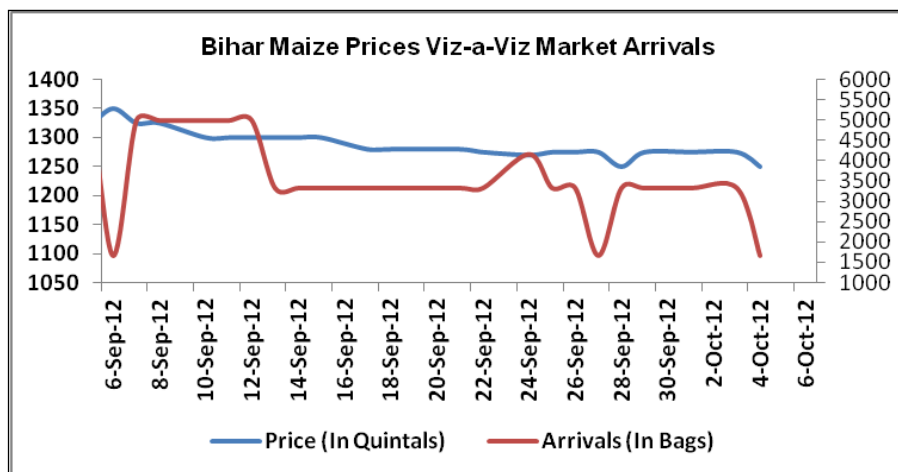
Note: Sowing Figures as on 3<sup>rd</sup> October 2012

**Karnataka:** Steady to firm price sentiments witnessed in Davangere market compared to the previous week due to tight supply in the market. In Shimoga region of Karnataka, new crop arrivals have started, around 200 tons crop is arriving on daily basis and trading at Rs. 1400 per quintal. However, in Belgaum and Hubli region of Karnataka, maize new crop arrivals would arrive in the mid October. In Renebennur region of Karnataka, 1000 ton crop is arriving on daily basis. During the mid of the week, Maize arrivals were reported down due to rainfall.



**Bihar:** Maize prices were reported steady to down in various markets of Bihar during the week ended 8<sup>th</sup> October 2012 with the lower demand from Kolkata region.

Farmers are not releasing the stock on the expectation of increase in prices in coming weeks.



**In Delhi market,** Maize prices are moving steady to weak in Delhi markets with the sluggish poultry demand.

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

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Delhi	12850 (UP origin)		
Bangalore	16000 (Karnataka Origin)		
Tamil Nadu (Coimbatore,Namakkal)	16000 (Karnataka Origin)		
Gujarat	14500(UP Origin)	-	

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

Market	Grade	5 Oct,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1280	1280	1360	1400	-
Davangere	Bilty	1425	1400	1550	1430	1090
Naugachia	Bilty	-	1250	1325	1180	1075
Nizamabad	Bilty	1435	1430	1558	1418	1040
Ahmedabad	Feed	1440	1440	1520	1475	1160
	Starch	1433	1420	1550	1180	1130

**DOMESTIC MAIZE OUTLOOK:**

Lower than expected supplies of corn keeps maize prices steady despite a lack of demand from exporters in the maize spot market. We expect maize prices to trade steady in the near term.

**INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:**

As per latest USDA crop progress report, 94% corn crop was reported in maturity stage till date, higher by 20% from last year and 22% from 5 year avg. 54% corn crop has harvested, higher by 36% from last year during the same period. 25% crop was reported in good to excellent condition, higher by 1% from last week but lowered by 27% from last year during the same period.



As per USDA, U.S. corn export figures reached to 2098731 metric tons for the 2012-13 marketing year which is lowered by 25.78% from the last marketing year during the same period. Out of total weekly exports of 430038 MT reported by U.S. to China (108,100 MT), Mexico (88,200 MT), Japan (72,400 MT), Venezuela (58,000 MT), and South Korea (42,000 MT).

Some Other major International Corn Highlights during the week are:

- Mexico is trying to import corn from Argentina due to lower FOB quotes compared to other exporting nations like US and Brazil. It is notable that Mexico has approved grain imports from Brazil last month as reported. As per the national statistics agency, Mexico imports totaled 7.82 million tons corn last year, almost all of which came from the U.S.
- Brazil has exported 3.15 million tons of corn in September that is 14 percent higher compared to August corn shipment.
- South Korea's largest feed maker Nonghyup Feed Inc. has reportedly purchased 10,000 tons of corn from the Russian Far East in a direct deal with a Russian trading company MIG in Vladivostok. (Source : Reuters)
- The US Grain Council has estimated an increase of 5 to 6 million tons of corn production in China this year based on increased plantation area and a better yield prospects. China's official corn production is estimated at 197 million tons, while the USDA is expecting a crop of 200 million tons. (Source : Reuters)
- As per Informa, USDA is likely to raise its corn production forecast to 11.194 billion bushels, based on a yield of 127.0 bushels per acre.

### INTERNATIONAL MAIZE OUTLOOK:

During the week, Corn prices traded range bound in the International market with the firm tone. However, prices may go down due to rapid pace of the Midwest harvest and increase in expected corn yield compared to previous estimated corn yield of U.S.

Maize CBOT Weekly Futures Price Listing (USD/Ton)

	Contract Month	5/9/2012	28/9/2012	Change
Corn CBOT Prices	Dec-12	297.96	297.66	+0.30
	Mar-13	298.05	298.94	-0.89
	May-13	296.48	297.76	-1.28
	Jul-13	293.72	294.81	-1.09

### CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: Dec Contract)

- As the chart depicts, Maize prices seems down in the near term.
- Decrease in prices with lower volumes and OI indicates to consolidation in the market.
- Strategy: **Markets participants should sell Corn CBOT at 742 levels and the target would be 728 cents/bushels for next week.**

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(November Contract Weekly Chart)**

- Candlestick formation reveals range bound movement in the market.
- RSI is moving up in neutral zone.
- However, Increase in prices with lower volumes and OI indicates to weak market.
- Prices are likely to trade in a range of Rs.1262-1305 level in the near term.
- **Strategy:** Buy on dips.

**Maize NCDEX (November)**

Support & Resistance				
S2	S1	PCP	R1	R2
-	1216	1277	1306	1360

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