

EXECUTIVE SUMMARY

Mixed sentiments witnessed in the major spot markets of maize during the week ended on 13th October 2012.

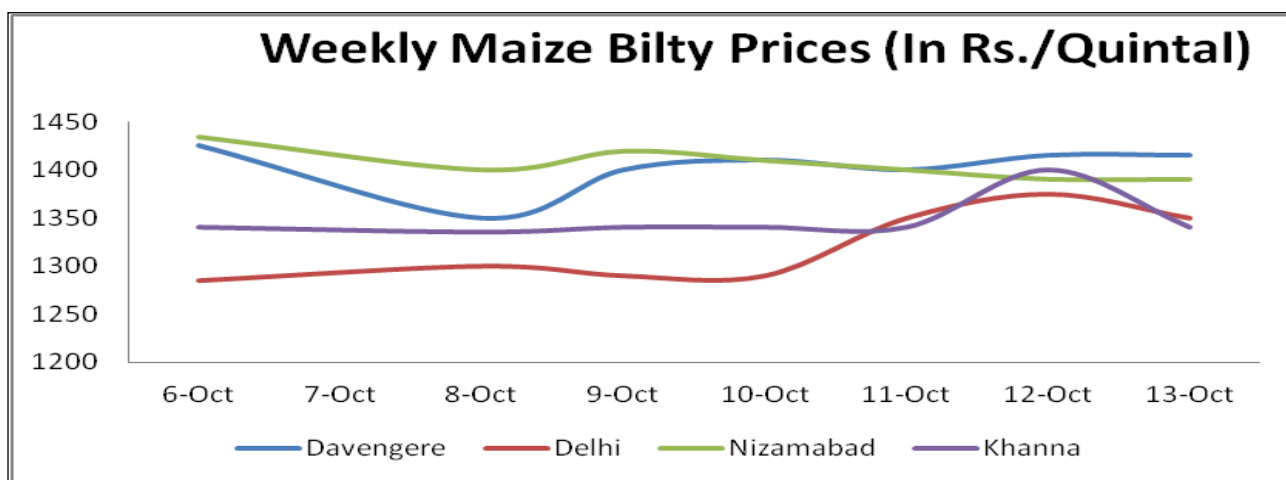
Higher moisture content in the new maize crop kept the corporate buyers out of the markets at present as they are waiting for lower maize moisture content at lower price.

However, Gujarat feed millers of Ahmedabad region may purchase maize from U.P. region as they have only 1 week stock. Meanwhile, Punjab poultry farms have shifted demand towards bajra from maize.

In A.P., maize new crop contains around 15-18% moisture level. 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.

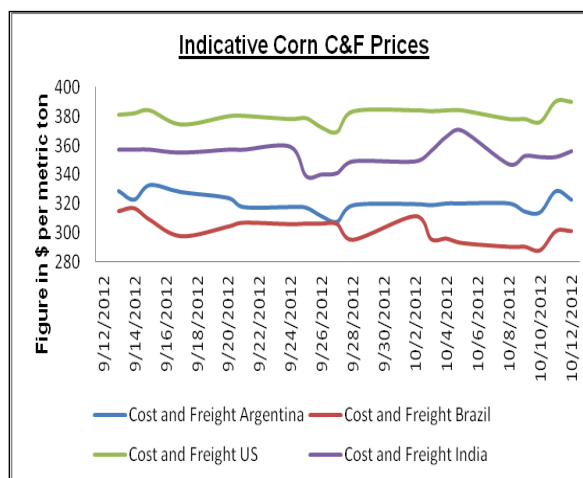
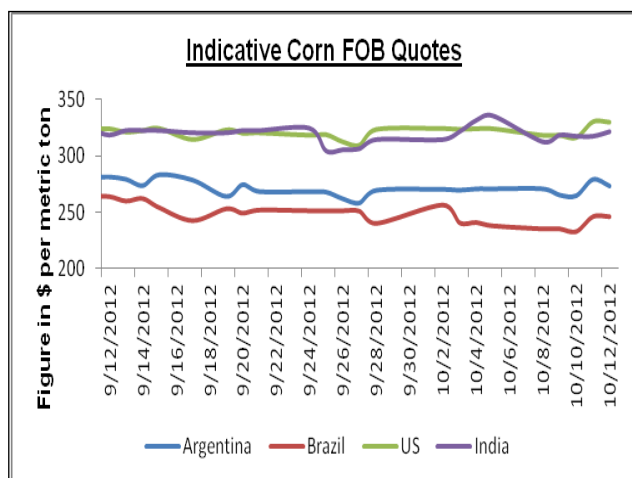
In Bihar, Maize old stock is almost over and sowing for new crop would start from the first week of November.

Maize prices are hovering at around Rs 1247 per quintal on an average on pan India basis, increased by around 16% compared to last week.



ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$356) decreased by \$14 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$390) and though getting stiff competition from Argentina (~\$323) and Brazil C&F (~\$301.21).



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 51.74)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	273	246.21	330	321
Incl Cost and Freight (C&F)	323	301.21	390	356

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 mixed 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 on 13th October 2012.

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

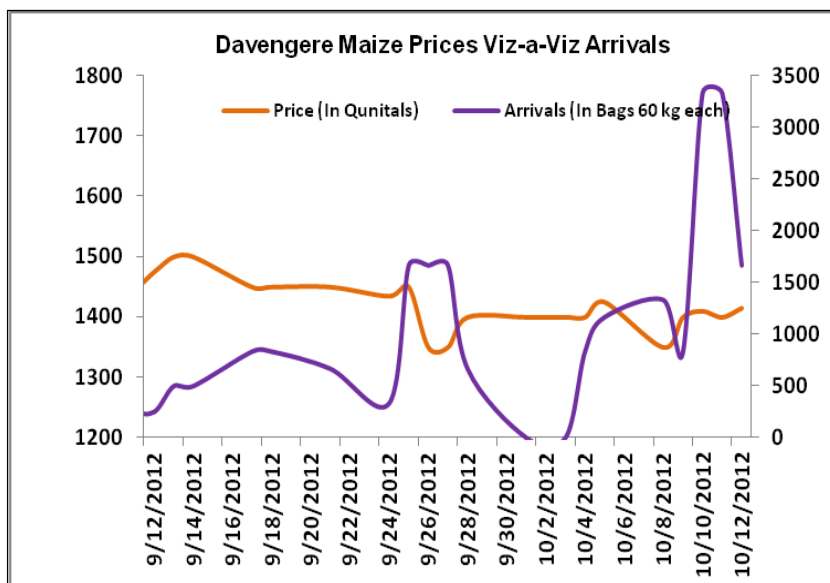
Sowing Update: In Andhra Pradesh, farmers has sown maize in 5.63 lac hectares till 10th October 2012 which is 6% higher as compared to last year and also higher from normal sown area as on date ~4.99 lac hectares. Around 113% sowing has completed in AP till date.

In A.P., maize new crop contains around 15-18% moisture level. 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.

	2012	2011	Normal (as on date)	Normal (Season)
Area Sown (In Lac hectares)	5.63	5.31	4.99	4.99

Note: Sowing Figures as on 10th October 2012

Karnataka: In Shimoga region of Karnataka, around 300 tons crop is arriving on daily basis which contain 18% moisture level and trading at Rs. 1410 per quintal. However, in Belgaum and Hubli region of Karnataka, maize new crop arrivals would start in coming days. In Renebennur region of Karnataka, 3000 ton crop is arriving on daily basis and trading at Rs. 1425 per quintal. In Davengre region of Karnataka, maize new crop arrivals are increasing gradually with the firm demand.



Bihar: Maize old stock is almost over and sowing for new crop would start from the first week of November. Sluggish demand for maize was reported at Rs. 1350 per quintal Kolkata feed fillers.

Delhi: In Delhi market, despite the new crop arrival pressure maize prices are trading steady to firm due to increase in demand from poultry.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Delhi	13500 (UP origin)		
Bangalore	14500 (Karnataka Origin)		
Kolkata	13500 (Bihar region)		
Maharashtra	13700 (Karnataka Origin)		
Gujarat	14500(UP Origin)	-	

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

Market	Grade	12 Oct,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1375	1280	1325	1325	-
Davangere	Bilty	1415	1425	1475	-	945
Naugachia	Bilty	-	-	1300	1175	1075
Nizamabad	Bilty	1390	1435	1507	1420	1030
Ahmedabad	Feed	1480	1440	1500	1500	1150
	Starch	1430	1433	1500	-	1140

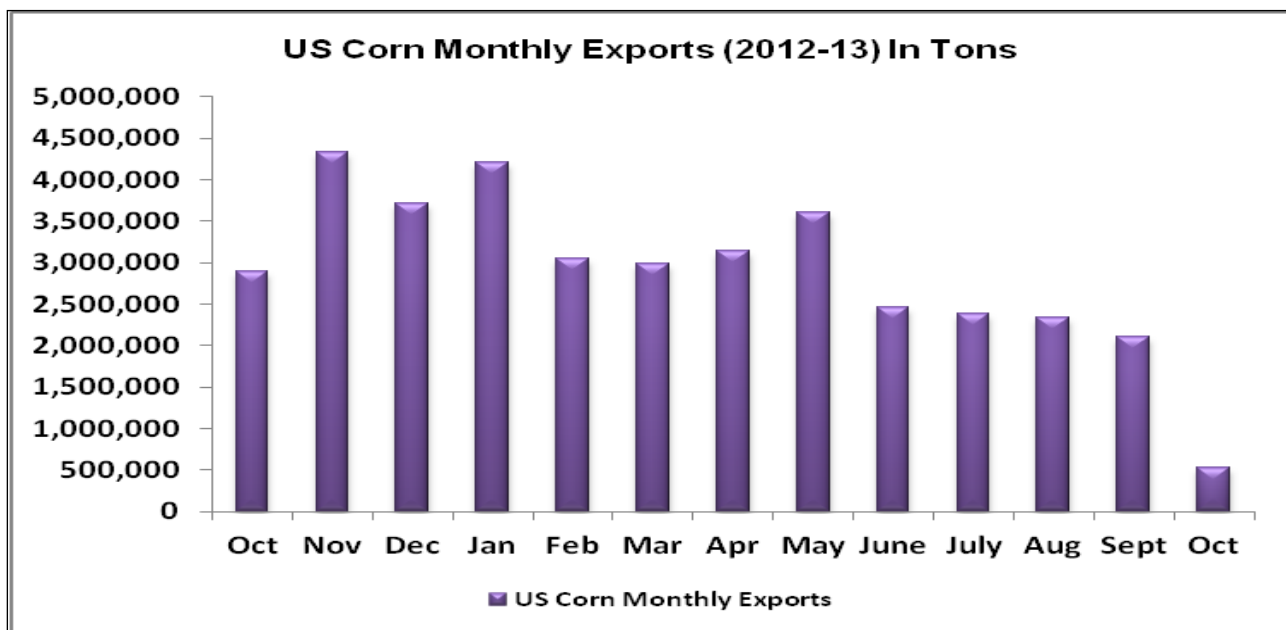
DOMESTIC MAIZE OUTLOOK:

Sluggish export demand amid new crop arrivals pressurized the corn prices. We expect maize prices to trade down in the near term due to new crop arrival pressure.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

As per USDA sowing progress report, 97% corn crop was reported in maturity stage till date, higher by 3% from last year but lower by 13% from 5 year avg. 69% corn crop has harvested, higher by 15% from last year during the same period but lower by 41% from 5 year avg.

As per Argentina Government, corn planting is less due to persistent heavy rain in key growing regions but corn germination is well in condition. Around 29% of the estimated corn area of 4.97 million hectares has planted in the Argentina till date trailing last season's pace by 3 percentage points. The U.S. Department of Agriculture has forecast that Argentine corn output will rise to 28 million tons in 2012/13 from 21 million tons in the last season.



As per USDA, U.S. corn export figures reached to 2619571 metric tons for the 2012-13 marketing year which is lowered by ~30% from the last marketing year during the same period. Out of total weekly exports of 520800 MT reported by U.S. to Japan (291500 MT), China (117,300 MT), Mexico (81,500MT), Venezuela (10,000 MT), and South Korea (8,800 MT).

Some Other major International Corn Highlights during the week are:

- South Korea's NOFI canceled tenders to buy 210,000 tons of corn due to high prices.
- U.S. livestock companies have signed deals in recent weeks to import about 600,000 tons of corn from Argentina.
- USDA has forecasted lower corn yield by 0.8 bushels to 122.0 bushels per acre from the September month resulted in lower production forecast for 2012-13 by 21 million bushels to 10706 million bushels in the October month.
- USDA also lowered US corn ending stocks to 619 million bushels from 733 million bushels in the September month.
- South Korea's Feed Leaders Committee (FLC) bought 70,000 tons corn via tender at \$314.30 C&F per ton from CJ. The product will arrive to the Incheon, Kunsan port at April 1, 2013.
- China to issue low-tariff import quotas for up to 7.2 million tons of corn for 2013. Government firms will have 60% of the quotas. As per the U.S. Grains Council, China is likely to import corn this season to rebuild reserves if prices are attractive.

INTERNATIONAL MAIZE OUTLOOK:

During the week, Market participants wait for USDA crop production report and at the week end, Lower US crop production forecast support the domestic and international corn prices.

Maize CBOT Weekly Futures Price Listing (USD/Ton)

	Contract Month	12/9/2012	5/9/2012	Change
Corn CBOT Prices	Dec-12	304.35	297.96	+6.39
	Mar-13	304.35	298.05	+6.30
	May-13	302.19	296.48	+5.71
	Jul-13	299.33	293.72	+5.61

CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: Dec Contract)

- As the chart depicts, Maize prices are hovering between 23.6% and 38.2% retracement level. However, last candle depicts bearishness in the prices.
- Strategy: **Markets participants should sell Corn CBOT at current level and the target would be 718 cents/bushels for next week.**

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(November Contract Weekly Chart)

- Candlestick formation reveals that prices may go down in the market.
- RSI is moving down in neutral zone.
- Decrease in prices with lower volumes and OI indicates to consolidation in the market.
- Prices are likely to trade in a range of Rs.1233-1300 level in the near term.
- **Strategy:** Sell from current level.

Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1216	1233	1280	1323	1375

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