

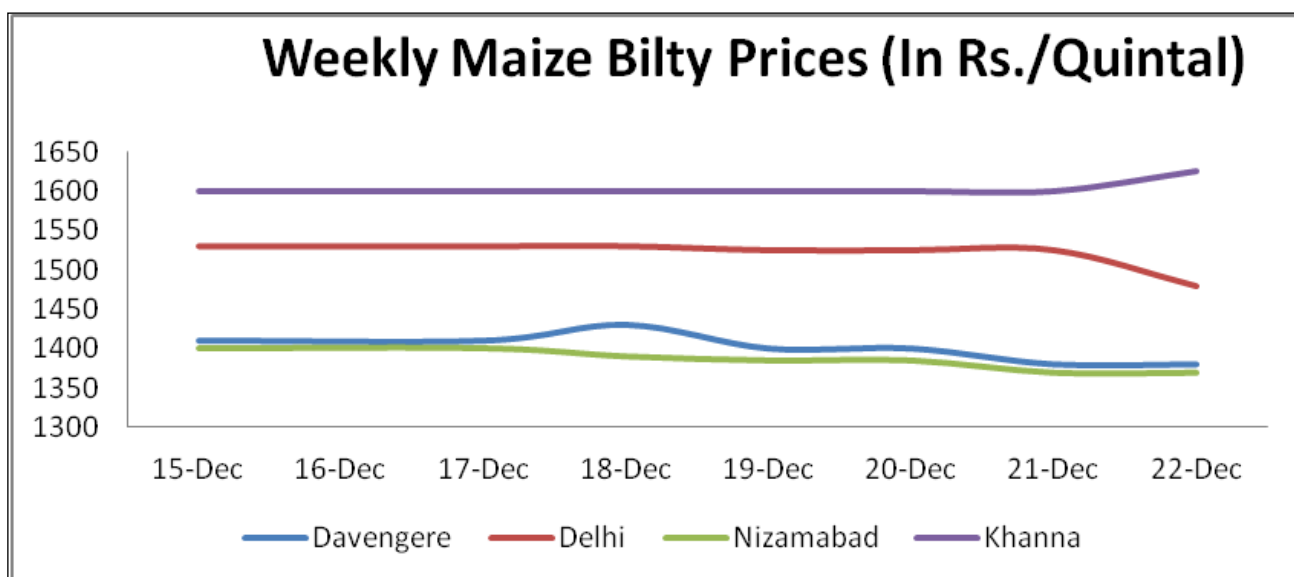
## EXECUTIVE SUMMARY

During the week, both domestic and international corn markets were under pressure due to higher acreage estimate by Informa Economics of the U.S. However, in the recent update, Korea has kept an option of importing U.S and South American corn as a sourcing point which could support CBOT corn prices. Earlier, they refused U.S origin corn due to price and quality concern. Meanwhile, higher domestic demand and entry of institutional buyers could support maize prices in the domestic market.

During the week, Koppal wagon bilty rate quoted at Rs. 1410-1430 per quintal. Sources revealed that 1 rake each has been moved towards Chennai and Mangalore port on daily basis.

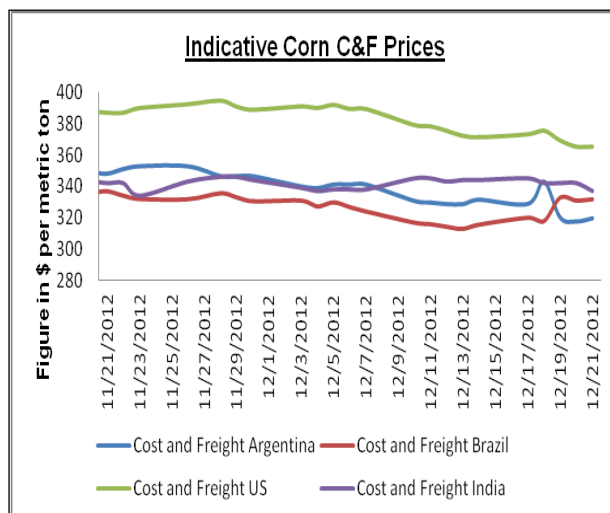
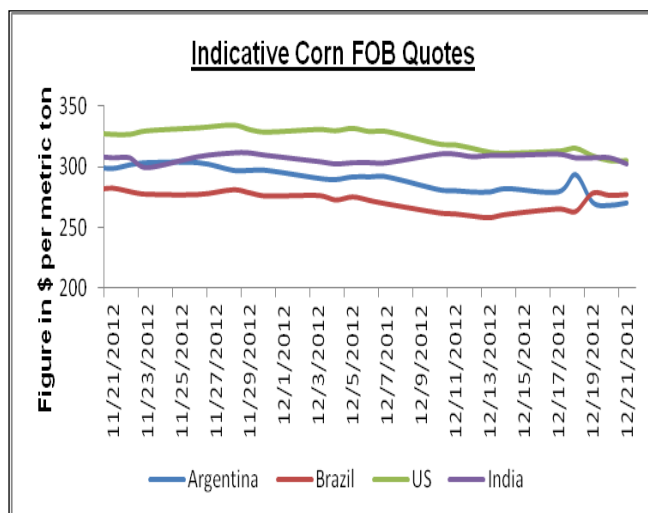
Demand for maize from the Kolkata feed millers reported at around Rs. 1570 per quintal sourced from Bihar which contains 12-13% moisture level while Ahmadabad feed millers of Gujarat region are purchasing maize from Maharashtra region at around Rs. 1550 per quintal.

Maize prices are hovering at around Rs 1319 per quintal on an average on pan India basis, increased by 11 per quintal from the previous week.



## ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$337) decreased by \$7.00 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$365) and getting stiff competition from Brazil C&F (~\$332) and Argentina Maize C&F prices (~\$320).



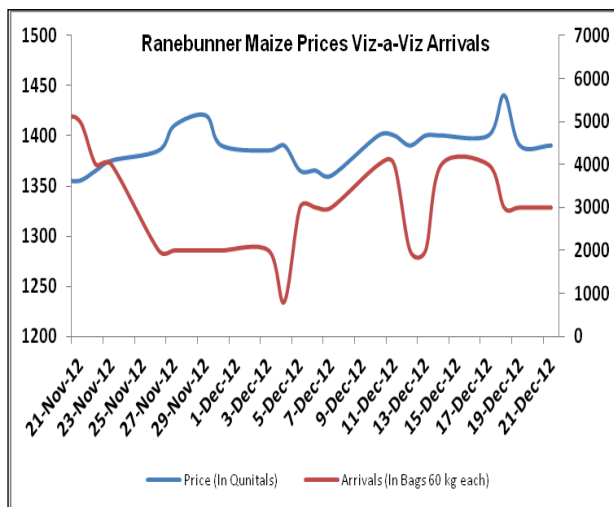
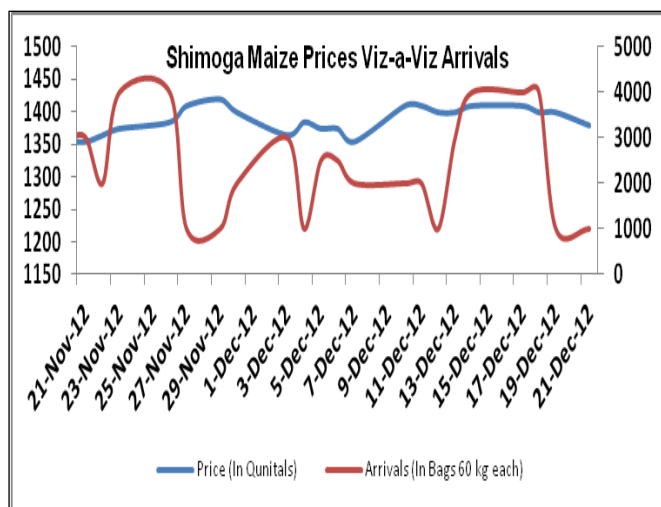
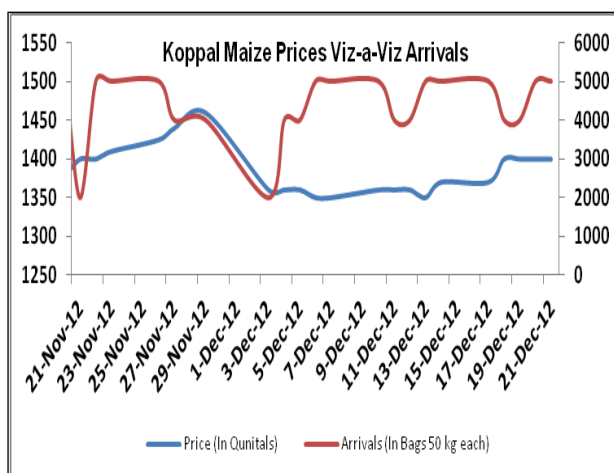
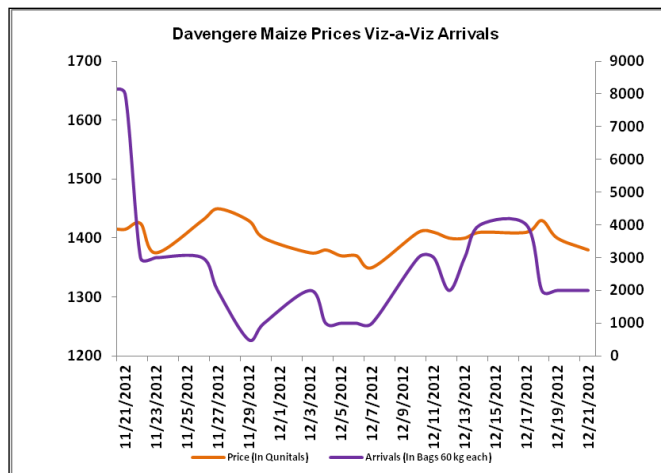
Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.08)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	270.00	277.00	305.00	302.00
Incl Cost and Freight (C&F)	320.00	332.00	365.00	337.00

## 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. 1370-1400 per quintal. Meanwhile, maize is also moving towards Hyderabad at around Rs. 1400 per quintal sourced from Nizamabad region of A.P.

**Karnataka:** During the week, Koppal wagon bilty rate quoted in a range of Rs. 1410-1430 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. 1570 per quintal sourced from Bihar which contains 12-13% moisture level.

**Delhi:** Despite the higher demand, maize prices were trading steady in the delhi spot market. Sources revealed that maize arrivals are lower than last year which keeps the maize prices at higher level.

**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>	14800 (UP origin)		
<b>Gujarat</b>	15500 (Maharashtra Origion)		
<b>Hyderabad</b>	14000 (A.P. region)		
<b>Chennai</b>		14200 (Karnataka region)	
<b>Mangalore</b>		14200 (Karnataka region)	
<b>Kolkata</b>	15500 (Bihar region)		

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

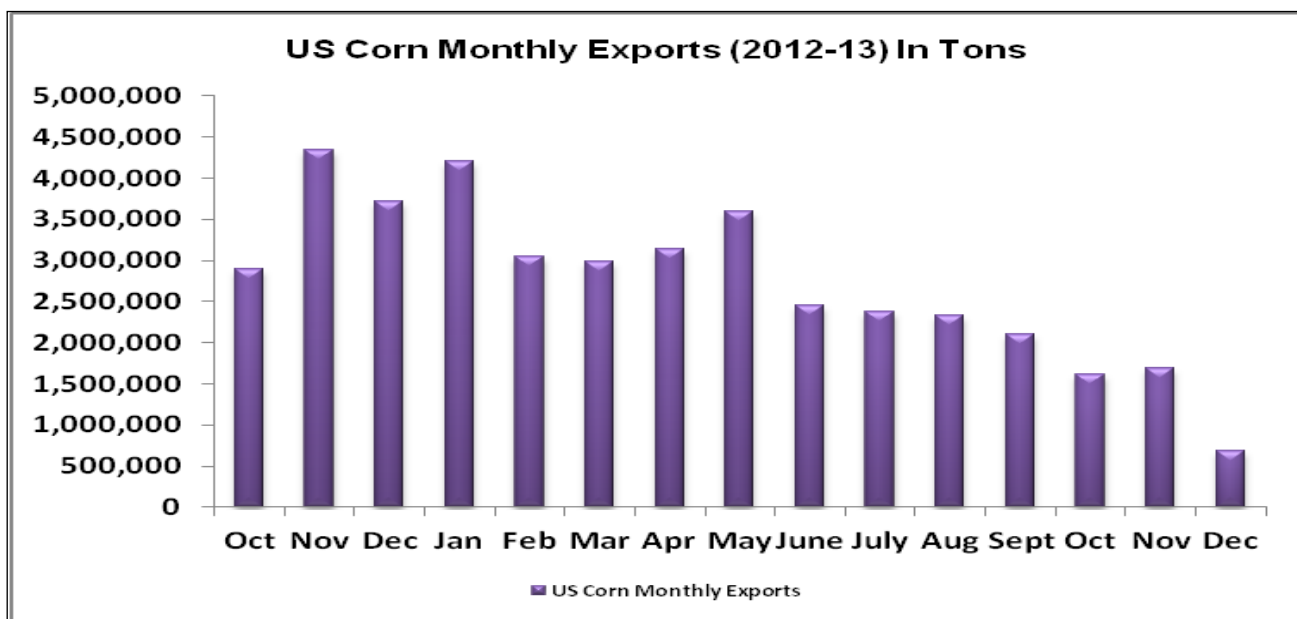
Market	Grade	21 Dec ,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
<b>Delhi</b>	Hybrid	1525	1530	1390	1370	-
<b>Davangere</b>	Bilty	1380	1410	1415	-	1130
<b>Naugachia</b>	Bilty	-	-	-	-	-
<b>Nizamabad</b>	Bilty	1370	1400	1400	-	1110
<b>Ahmedabad</b>	Feed	1510	1570	1470	1375	1240
	Starch	1580	1600	1440	1400	1250

**DOMESTIC MAIZE OUTLOOK:**

*We expect maize prices would rise in the coming days 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 6091316 metric tons for the 2012-13 marketing year which is lowered by ~50% from the last marketing year during the same period. However, up by 68 percent from the prior week and 32 percent prior 4-week average. Out of total weekly exports of 433400 MT reported by U.S. to China (171,700 MT), Japan (113,100 MT), Saudi Arabia (66,300 MT), Mexico (47,300 MT), Jamaica (20,100 MT), and Nicaragua (7,400 MT).



Some Other major International Corn Highlights during the week are:

- Korea has kept an option of importing U.S and South American corn as a sourcing point. Earlier, they refused U.S origin corn due to price and quality concern. Meanwhile, as per news sources, South Korea's largest animal feed maker Nonghyup Feed Inc purchased 193,000 ton corn through tender on Friday.
- Taiwan Sugar Corp is likely to buy 23,000 ton corn for the shipment on Feb. 9-23 from the U.S. Gulf Coast or Feb. 24-March 9 from the U.S. Pacific Northwest. (Source: Reuter).
- South Korea's Korea Corn Processing Industry Association bought 55,000 tons Brazilian corn from Louis Dreyfus Commodities via a tender at \$339.95 per ton on a C&F basis. The product will arrive by late April 2013. (Source: Reuter)
- As per Preliminary Japanese government data, corn ratio in animal feed production fell to 42.5 percent in the October month from 45.1 percent in the same month last year but unchanged from the September month. (Source: Reuter)
- As per European trader, a buyer in Oman purchased 20,000 ton corn of South American origin for January 2013 shipment. (Source: Reuter)

- As per ProAgro data, Ukraine maize export figures reached to 883,280 tons during Dec.1-17 compared with 921,730 tons in the same period last month. Out of total maize exports of 883,280 tons reported by Ukraine to Spain (237,320 tons), Netherlands (138,500 tons), and Egypt (112,470 tons). Ukraine is planning to harvest 21 million tons of maize this year against 22.7 million tons in the last year. (Source: Reuter)
- As per Bai Haifeng, a division chief with State-owned China Grain Reserves Corp, China's corn production this year is likely to grow by 5.1 million tons, less than the National Bureau of Statistics which had forecast total national production to rise by 15.34 million tons on the year to a record 208 million tons. In addition, the expectation of lower stock is due to crop damaged by pests and typhoons in the main growing areas in the northeast. In addition, recent rise in china' domestic wheat prices will also encourage more animal feed mills to use corn instead of wheat and put pressure on corn stock.
- South Korea's Feed Leaders Committee bought 130,500 tons corn of U.S. and South American origin for arrivals between April and June.

### INTERNATIONAL MAIZE OUTLOOK:

***Corn CBOT prices could increase due to rebound in demand for U.S corn supply.***

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	20/12/2012	13/12/2012	Change
Corn CBOT Prices	Mar-13	274.14	283.49	-9.35
	May-13	275.42	284.97	-9.55
	Jul-13	274.44	283.88	-9.44
	Sep-13	245.11	254.76	-9.65

### CBOT CORN FUTURES OUTLOOK:



(CBOT Corn Chart: Mar Contract)

- Candlestick chart pattern reveals that prices could rebound from the current level.
- Strategy: **Markets participants should buy Corn CBOT at 703 level and the target would be 725 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 1447 level in the near term.
- **Strategy:** Buy on dips.

**Maize NCDEX (January)**

Support & Resistance				
S2	S1	PCP	R1	R2
-	1375	1388	1447	1491

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