

EXECUTIVE SUMMARY:

As per the latest data released by the Ministry of Agriculture, area sown under maize during Rabi season for 2012-13 is estimated at 12.22 lakh hectares, up from last year's figure of 10.96 lakh hectares.

Ahmadabad feed millers of Gujarat region are currently purchasing maize from Maharashtra region in a range of Rs. 1500-1510 per quintal. During the month, demand for maize from poultry and starch reported high at the lower rates. However, sources revealed that demand could decrease in the coming weeks as they have around 3 months stock in quantity.

During the month, both domestic and international corn markets were under pressure due to higher acreage estimate by Informa Economics of the U.S and lower demand for U.S. origin corn.

As per news sources, Gujarat Ambuja Exports Ltd started trial run production of its 750 tons per day new maize processing unit in Haveri district of Karnataka.

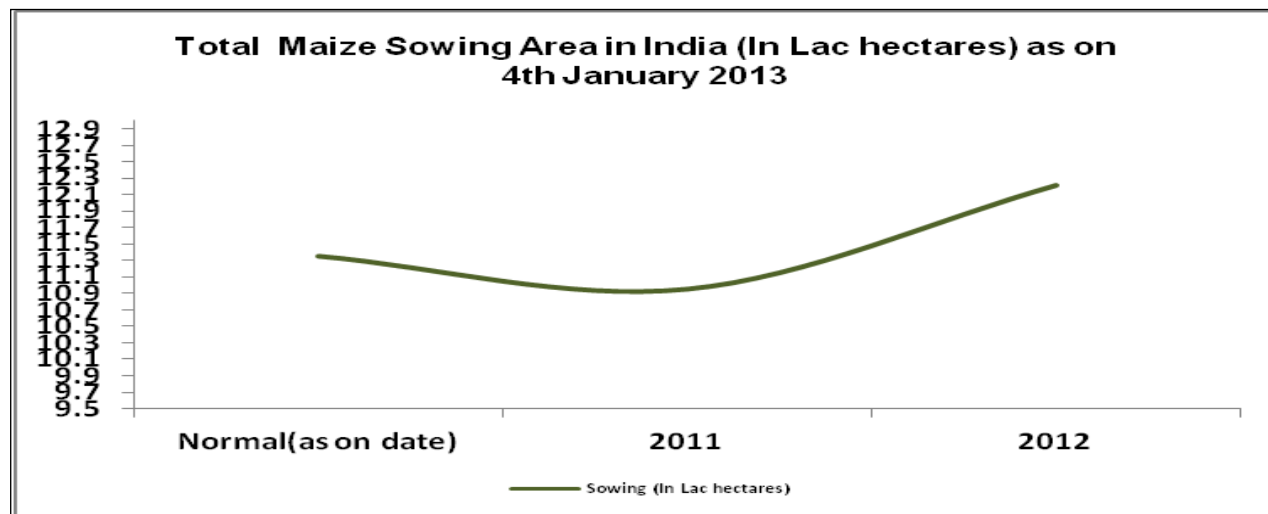
As per Cargill India Chairman Siraj A Chaudhry, Cargill is likely to invest about Rs 400 crore to set up a corn milling plant in Karnataka which will produce modified starch for the consuming processed food and pharma industries. The capacity of plant will be 800-1,000 tons per day.

In Delhi spot market, maize stock is reported around 1 lakh bag. Sources revealed that maize could trade higher in the coming days as good demand from poultry and hatchery has aroused. Meanwhile, in the Nizamabad region of A.P., maize stock is reported around 4 lakh bags. Sources revealed that prices could trade in a range in the near term.

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.

RABI SOWING UPDATE:

India



STATE WISE RABI SOWING

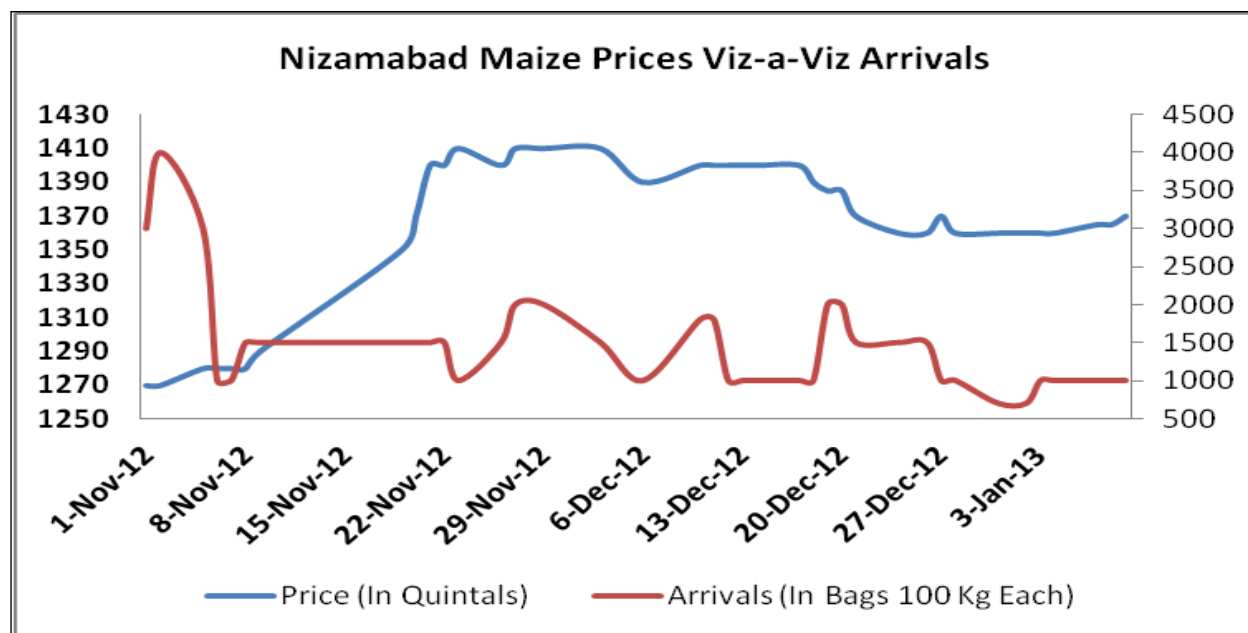
State	Normal Area	Area Covered(2012-13)	Area Covered(2011-12)	Absolute Change	Y-O-Y(% Change)
Andhra Pradesh	2.792	2.9	2.37	0.53	22.36%
Arunachal Pradesh	0.05	-	-	-	-
Assam	-	0.08	0	0.08	
Bihar	3.277	3.63	3.1	0.53	17.10%
Chhattisgarh	-	0.05	0.11	-0.06	-54.55%
Guajrat	0.81	0.97	0.918	0.052	5.66%
Jharkhand	0.121	0.07	0.08	-0.01	-12.50%
Karnataka	1.22	1.14	1.01	0.13	12.87%
Maharashtra	1.184	1.24	1.06	0.18	16.98%
Orissa	0.028	0.079	0.07	0.009	12.86%
Tamil Nadu	0.811	1.18	1.61	-0.43	-26.71%
Uttar Pradesh	0.192	0.35	0.33	0.02	6.06%
West Bengal	0.52	0.3	0.22	0.08	36.36%
Others	0.34	0.24	0.084	0.156	185.71%
All-India	11.345	12.229	10.962	1.267	11.56%

STATE - WISE MARKET DYNAMICS

ANDHRA PRADESH

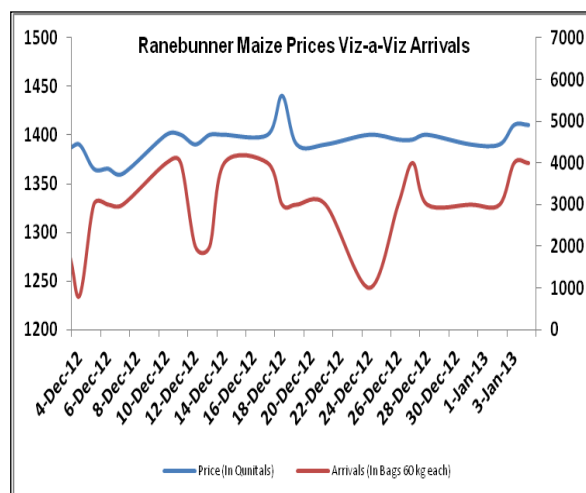
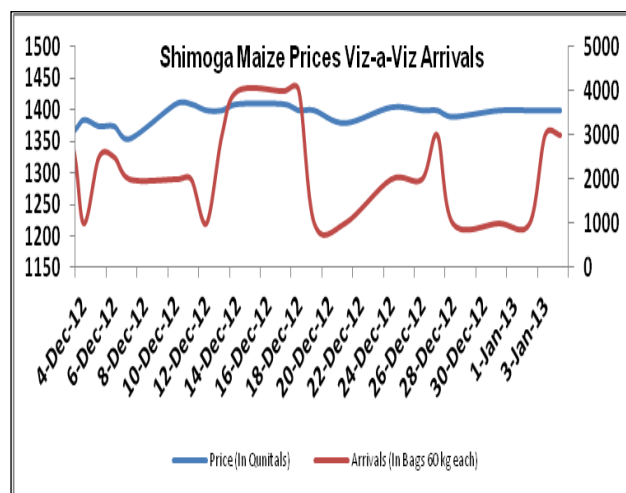
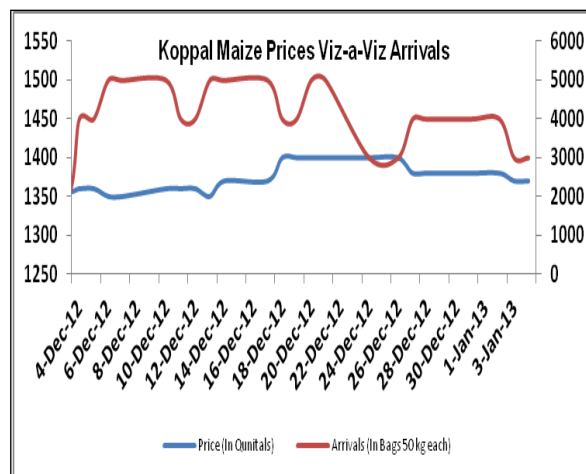
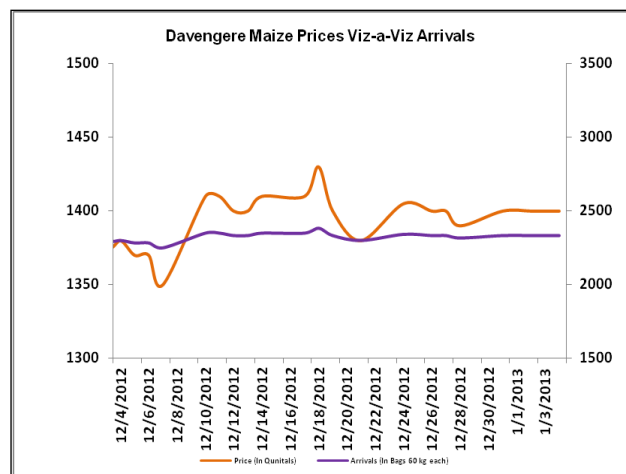
In the Nizamabad region of A.P., demand for maize was reported from local starch industry currently at Rs. 1340 per quintal. Meanwhile, maize is also moving towards Hyderabad at around Rs. 1370 per quintal sourced from Nizamabad region of A.P.

Maize stock is reported around 4 lakh bags. Sources revealed that poultry demand may arise in the coming days but prices would trade in a range in the near term.



KARNATAKA

As per trade sources, maize is moving towards Chennai at Rs. 1485 per quintal (Delivery rate) and Mangalore at Rs. 1470 per quintal (Delivery rate) sourced from Koppal region of Karnataka.

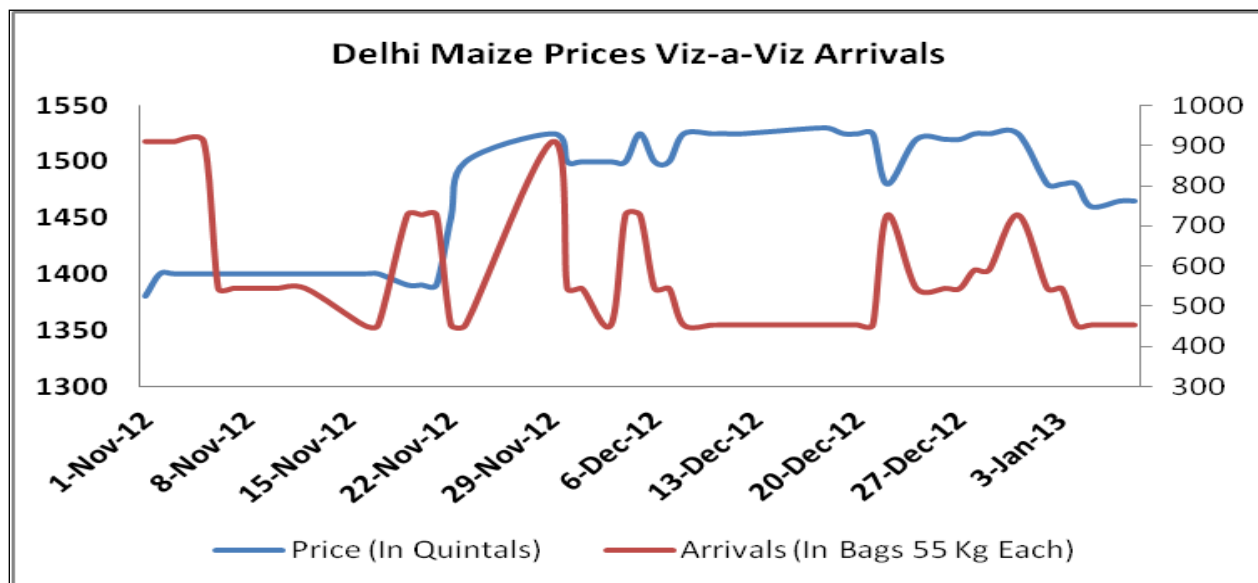


BIHAR

In Bihar, prices could not go down from the current level due to lower stock position in the market. Sources revealed that weather conditions are favorable at this time and new crop would arrive in the February month in the market. Demand for maize from the Kolkata feed millers reported at around Rs. 1565 per quintal sourced from Bihar which contains 12-13% moisture level.

DELHI

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



Month-wise Average prices of Maize at various markets					
Market	2011-Dec	2012-Nov	2012- Dec	% Change from Prev. Month	% Change from Prev. Year
Delhi (U.P origin)	-	1500	1525	1.6	-
Naugachia	-	-	-	-	-
Davangere	1150	1400	1400	0	21.73
Nizamabad	1125	1410	1360	-3.54	20.8

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%

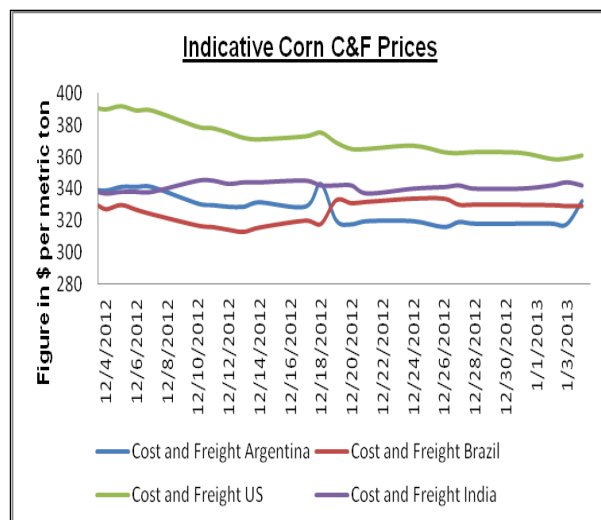
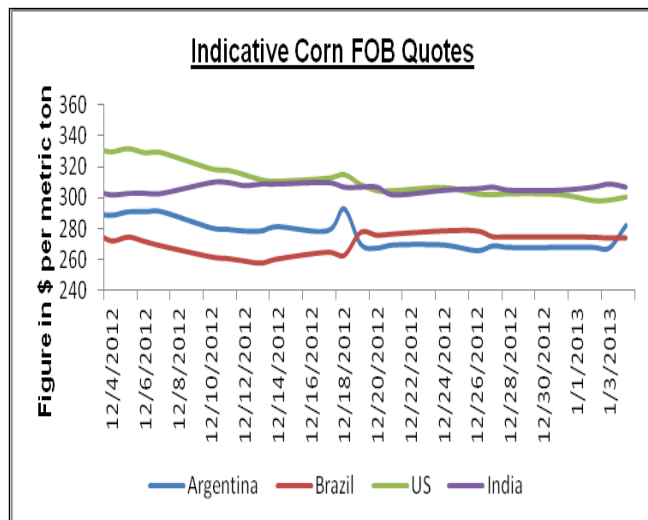
PRICE OUTLOOK:

We expect maize prices could trade range bound in the near term in the spot market but rebound in the future market as they are trading at lowest point.

ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$342) increased by \$2.00 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$360.9) and getting stiff competition from Brazil C&F (~\$329.35) and Argentina Maize C&F prices (~\$332.58).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 54.84)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	282.58	274.35	300.9	307
Incl Cost and Freight (C&F)	332.58	329.35	360.9	342



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 to Malaysia, Indonesia, Bangladesh, Vietnam, Yemen, China, Taiwan, and Singapore through JNPT, Raxaul LCS, Toniarept ICD port, generally in 20' containers. No corn exports were reported during the month of December. However, some corn samples send to Brazil by air.

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



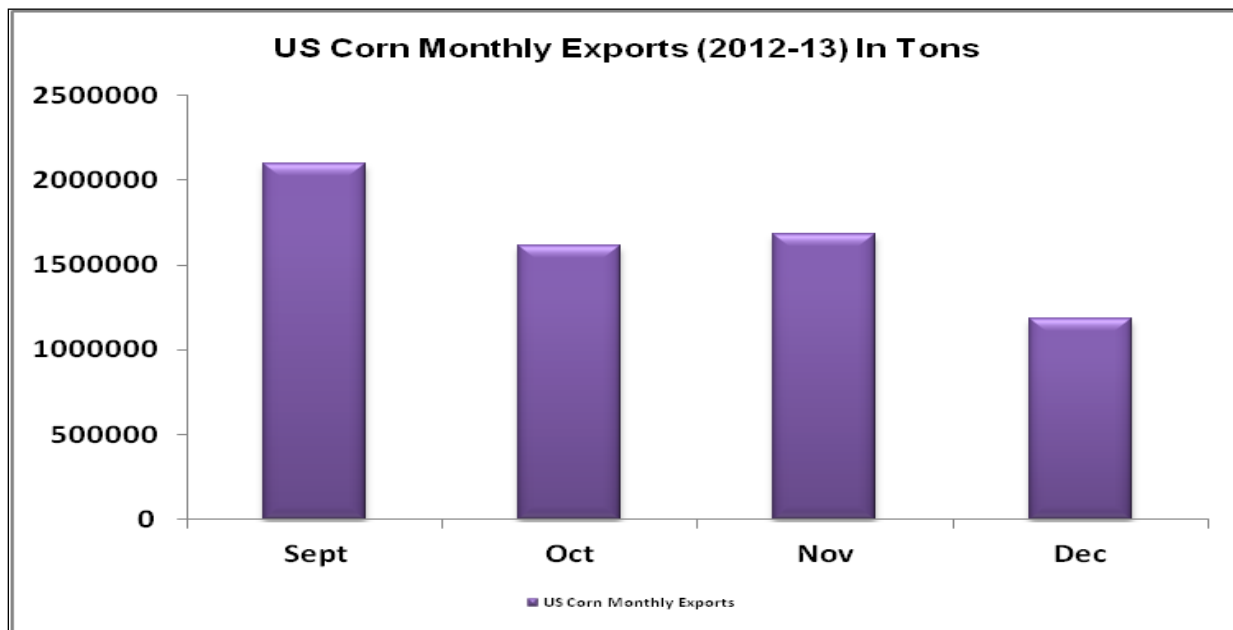
- As the chart depicts, maize prices could go up in the market.
- RSI is moving up in neutral region.
- **Strategy:** Buy on dips.

MAIZE NCDEX (FEBRUARY MONTHLY) (IN Rs/QTL)

Support & Resistance				
S2	S1	PCP	R1	R2
1348	1372	1397	1442	1471

INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. corn export figures reached to 6583166 metric tons for the 2012-13 marketing year which is lowered by ~52% from the last marketing year during the same period, down by 28 percent from the prior week and 35 percent prior 4-week average. Out of total weekly exports of 2,05,300 MT reported by U.S. to Japan (128,000 MT), Mexico (52,600 MT), Taiwan (7,000 MT), Venezuela (6,000 MT), and Jamaica (4,700 MT).


International Corn Highlights

- As per news sources, South Korea's largest feed maker NOFI is likely to purchase up to 195,000 tons corn via tender excluding U.S. origin corn. South Korea wants 40,000-55,000 tons corn arrival on 25 Apr, 2013, 40,000-70,000 tons on June 30, 2013 and 40,000-70,000 tons corn on July 10, 2013 at the ports from the list of Incheon, Pyeongtaek, Kunsan, Mokpo, Busan and Ulsan.
- Forecasts for improving weather in Argentina have offset fears about the impact of widespread flooding earlier in the season. In addition, As per Joel Widenor, meteorologist for Commodity Weather Group, Rains may reach most of Brazil in the next 10 days and could support the corn growth.
- As per European Traders, Kuwait buyers purchased about 30,000 tons corn through tender sourced from South America either Argentina or Brazil for shipment between the second half of January and first half of February.
- USDA expects Argentina corn output at 27.5 million ton. However, output would depend on the weather conditions prevailed in the month of Jan and Feb as corn seeding

expected to wrap up in mid-February. Recent dry weather conditions have encouraged Argentine farmers to speed corn planting.

- 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)
- 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.
- 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 883280 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.
- As per USDA report, global corn ending stocks for 2012/13 are projected 0.39 million tons lower at 117.60 million tons. Recent USDA report has turned the bearish trend to neutral at present.
- As per European Traders, South Korea's largest feedmaker Nonghyup Feed Inc. has issued an international tender to purchase 210,000 tons of corn in three 70,000 tons consignments, which may be bought individually or all together. Shipment of corn was sought in 2013 between Jan. 25-Mar. 10, Mar. 5-Apr. 3 and Mar. 13-Apr. 11. Indian, South African and European-origin corn can be offered in the tender except U.S.-origin

Jan 2013

corn as some Korean buyers are not interested in U.S. corn due to higher U.S. corn prices with the quality concern.

OUTLOOK:

Lower export demand for U.S. origin corn crop kept CBOT corn prices at the lower level. Market participants are waiting for USDA monthly corn production report due on 11th Jan 2013.

Maize CBOT Monthly Futures Price Listing (Cents/bushel)				
	Contract Month	28/12/2012	29/11/2012	Change
Corn CBOT Prices	Mar-13	273.16	298.64	-25.48
	May-13	274.24	298.35	-24.11
	Jul-13	273.45	295.10	-21.65
	Sep-13	244.52	-	-

CBOT MAIZE MONTHLY CHART: MARCH 2013 CONTRACT


- 6.775 USD/bushels i.e. 50% Fibonacci retracement level seems like a strong support level.
- Prices could move in a range of 6.775-7.173 USD/ bushels.
- Strategy: Buy on dips

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