

EXECUTIVE SUMMARY:

During the month, Ahmadabad feed millers of Gujarat region purchased maize from Maharashtra region in a range of Rs. 1500-1520 per quintal. Sources revealed that maize could trade steady to slightly down due to sluggish export demand. Meanwhile, some weakness was reported from starch and poultry industries buyers in the spot market which could weigh on the prices. In Maharashtra region, maize stock would be around 2 lakh bags.

In Bhiwani region of Haryana, sources revealed that demand for bajra from poultry industries could shift towards maize in the coming weeks due to change in weather conditions and support maize prices.

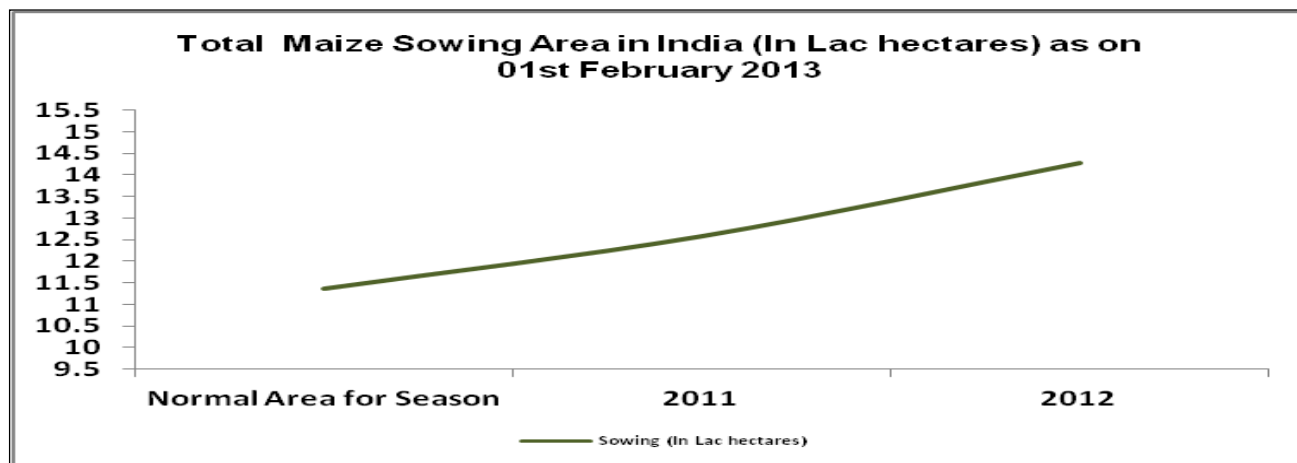
In the Nizamabad region of A.P., demand for maize was reported from local starch industry at the lower rate of Rs. 1350 per quintal. Meanwhile, maize was also moving towards Hyderabad at around Rs. 1370 per quintal sourced from Nizamabad region of A.P. Sources revealed that prices could go down by Rs. 20 to 1350 per quintal due to lower export demand.

As per trade sources, during the month, maize was moving towards Chennai in a range of Rs. 1485-1510 per quintal (Delivery rate) and Mangalore in a range of Rs. 1470-1480 per quintal (Delivery rate) sourced from Koppal region of Karnataka.

RABI SOWING UPDATE:

As per the latest data released by the Ministry of Agriculture, area sown under maize during rabi season for 2012-13 is estimated higher by 1.7 lakh hectares to 14.28 lakh hectares from the last year.

INDIA



WEEK ON WEEK RABI SOWING

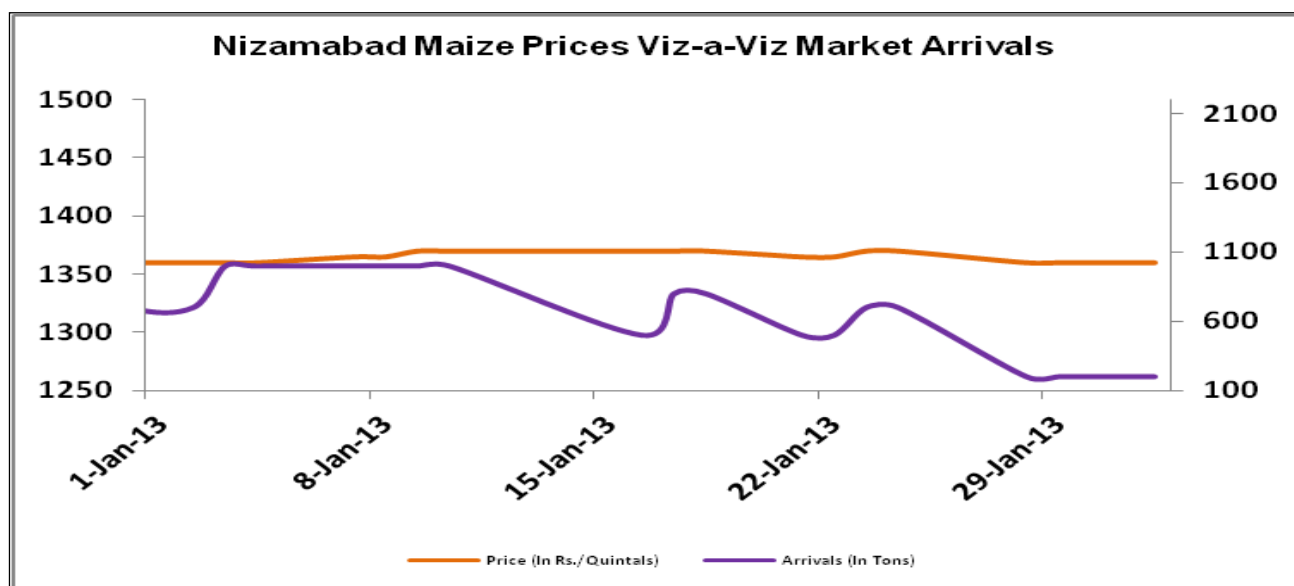
Sowing (In Lac hectares)					
	Normal Area	Area Covered (2012-13)	Area Covered(2011-12)	Absolute Change	W-O-W % Change
4 JAN'13	11.345	12.229	10.962	1.27	0.12
11 JAN'13	11.345	13.028	11.707	1.32	0.11
18 JAN'13	11.348	13.196	12.191	1.01	0.08
24 JAN'13	11.348	14.265	12.311	1.95	0.16
01 FEB'13	11.351	14.28	12.579	1.70	0.14

STATE WISE RABI SOWING AS ON 1ST FEB'2013

State	Normal Area	Area Covered(2012-13)	Area Covered(2011-12)	Absolute Change	Y-O-Y(% Change)
Andhra Pradesh	2.792	3.34	2.95	0.39	13.22%
Arunachal Pradesh	0.053				
Assam	-	0.08	0	0.08	
Bihar	3.277	4.07	3.38	0.69	20.41%
Chhattisgarh	-	0.21	0.229	-0.019	-8.30%
Gujarat	0.813	0.99	1.06	-0.07	-6.60%
Jharkhand	0.121	0.07	0.08	-0.01	-12.50%
Karnataka	1.22	1.24	1.09	0.15	13.76%
Maharashtra	1.184	1.296	1.192	0.104	8.72%
Orissa	0.028	0.112	0.073	0.039	53.42%
Tamil Nadu	0.811	1.932	1.788	0.144	8.05%
Uttar Pradesh	0.192	0.4	0.37	0.03	8.11%
West Bengal	0.52	0.3	0.24	0.06	25.00%
Others	0.34	0.24	0.127	0.113	88.98%
All-India	11.351	14.28	12.579	1.701	13.52%

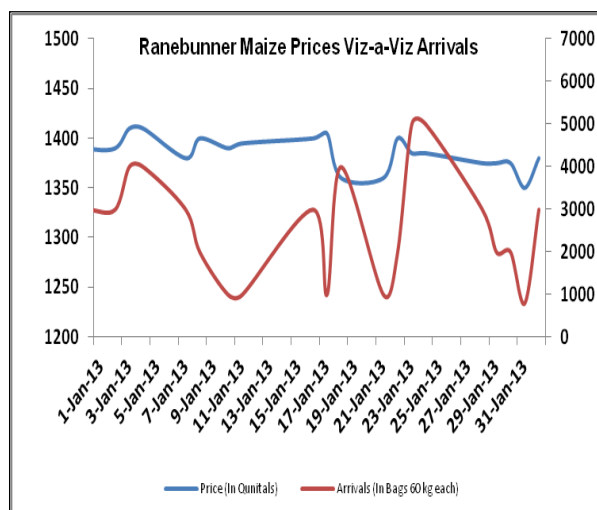
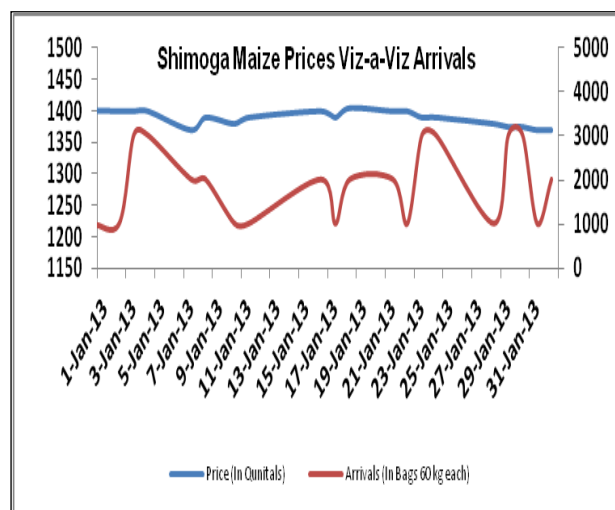
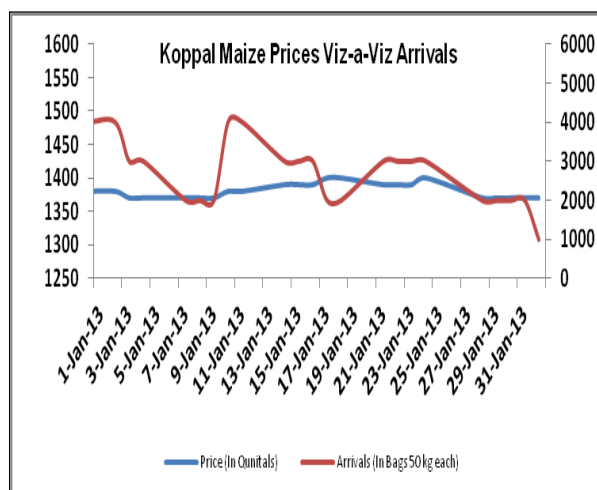
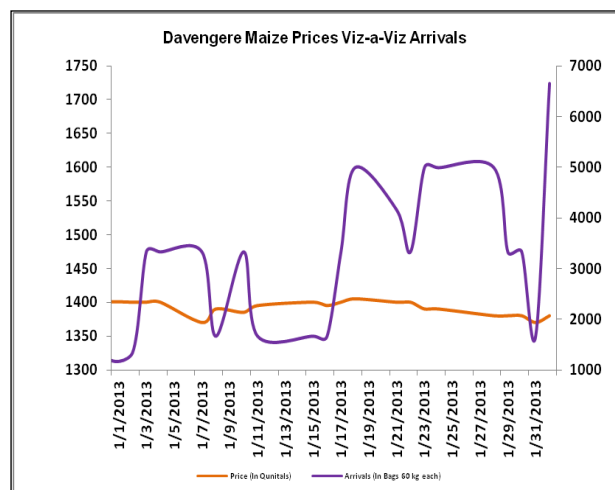
STATE - WISE MARKET DYNAMICS
ANDHRA PRADESH

In the Nizamabad region of A.P., demand for maize was reported from local starch industry at the lower rate of Rs. 1350 per quintal. Meanwhile, maize was also moving towards Hyderabad at around Rs. 1370 per quintal sourced from Nizamabad region of A.P. Sources revealed that prices could go down by Rs. 20 to 1350 per quintal due to lower export demand. In the Nizamabad region of A.P., maize stock is reported around 4 lakh bags.



KARNATAKA

Karnataka: In the major maize markets of Karnataka, maize traded steady to slightly weak due to arrival pressure in the market. As per trade sources, during the month, maize was moving towards Chennai in a range of Rs. 1485-1510 per quintal (Delivery rate) and Mangalore in a range of Rs. 1470-1480 per quintal (Delivery rate) sourced from Koppal region of Karnataka.

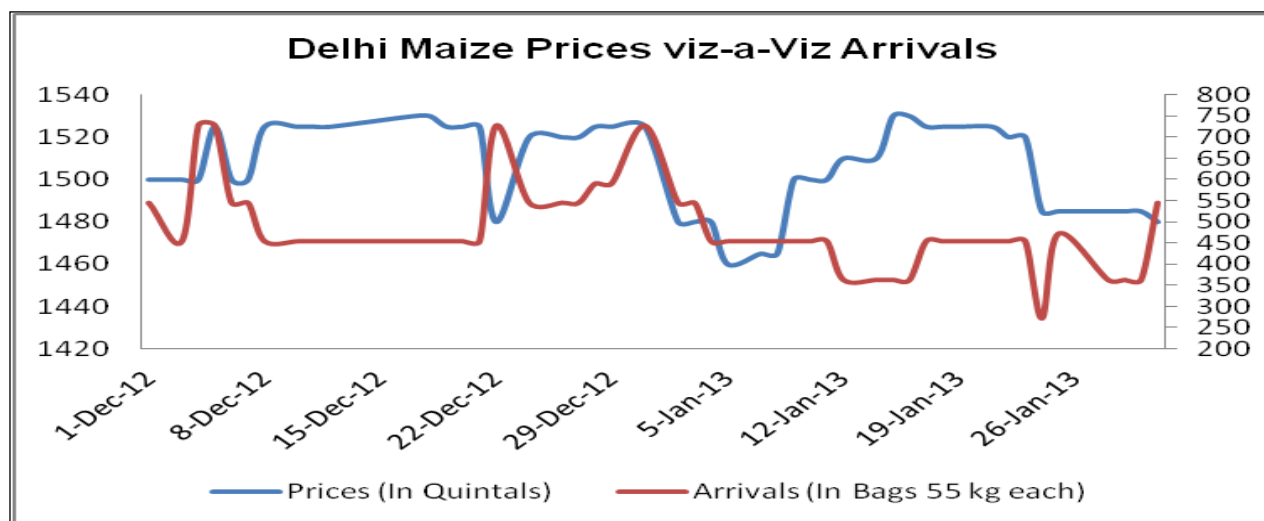


BIHAR

Demand for maize from the Kolkata feed millers reported in a range of Rs. 1600-1650 per quintal during the month sourced from Naugachia region of Bihar. Sources revealed that stock position is lower at this time. However, new crop would arrive in the February month.

DELHI

In Delhi spot market, maize stock is reported around 1.25-1.5 lakh bags. Currently, maize prices are going down due to sluggish poultry demand. However, maize would trade steady in the near term.



Month-wise Average prices of Maize at various markets					
Market	2012-Jan	2012- Dec	2013- Jan	% Change from Prev. Month	% Change from Prev. Year
Delhi (U.P origin)	-	1525	1480	-3.04	-
Naugachia	-	-	-	-	-
Davangere	1170	1400	1370	-2.19	+14.60
Nizamabad	1180	1360	1360	Unch	+13.24

INDIA MAIZE BALANCE SHEET

				2012-13 Quarterly BS			
	2010-11	2011-12	2012-13*E	Oct-Dec'12	Jan-Mar'13 E	Apr-Jun'13 F	July-Sep 13 F
Opening Stocks	0.481	1.13	1.041	1.041	0.391	0.149	1.404
Production	21.7	21.60	18.5	10.8	2.7	4.00	1.00
Farmer's Release	15.21	15.12	10.1	3.03	3.03	2.525	1.515
Govt. Procurement	0.051	0.017	0.01	0.002	0.001	0.003	0.003
Pvt Trade Release	6.46	6.46	7.39	1.1085	2.217	2.586	1.478
Seed Retention			1	0.8	0	0.2	0
Imports	0.02	0.01	0.5	0	0	0	0.5
Total Supply	22.74	22.91	20.05	5.98	5.639	5.264	4.901
Export	3.10	4.80	1.5	0.4	0.3	0.4	0.4
Domestic Consumption	18.00	16.90	17.3	5.19	5.19	3.460	4.26
Carry Out	1.13	1.041	1.251	0.391	0.149	1.404	0.241

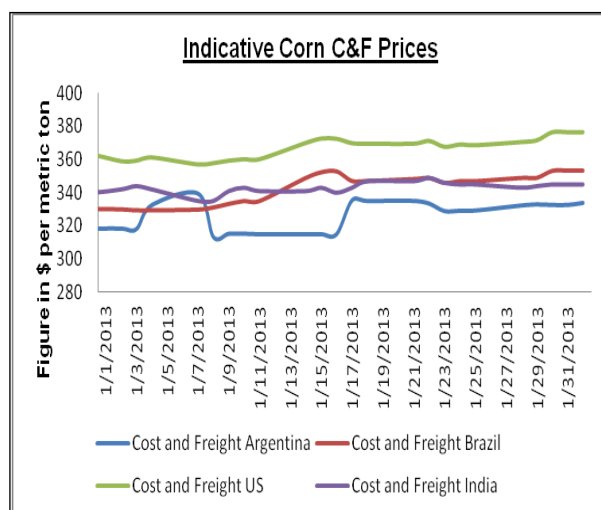
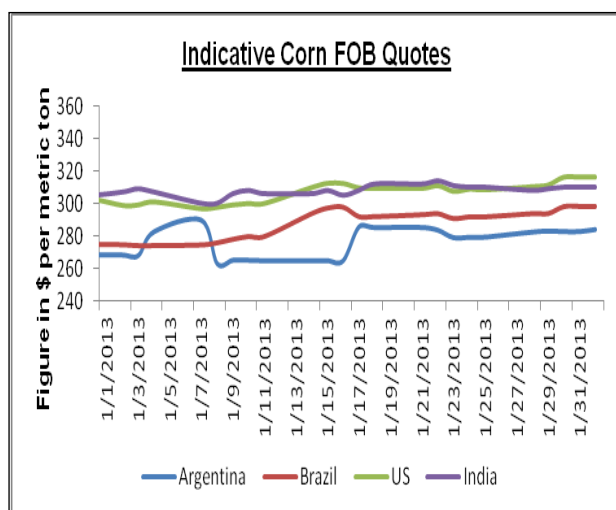
- All figures in million tons
 - The seed has consumed 0.8 MN T IN OCT-DEC'12 AND 0.2 MN T IN APR-JUN'13 Quarter.
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PRICE OUTLOOK:

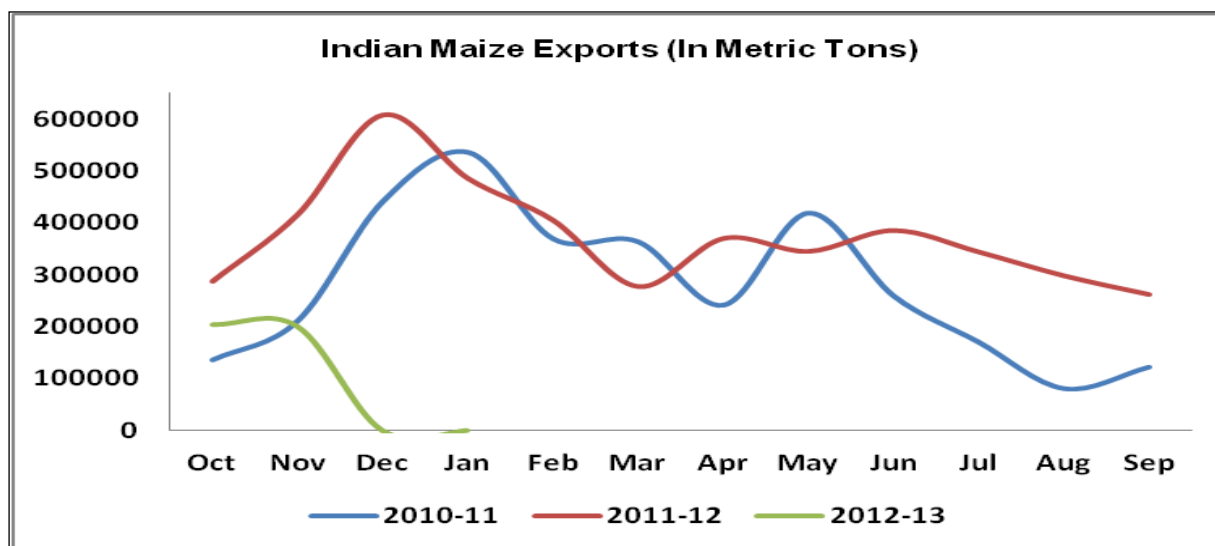
We expect maize prices could trade steady in the near term. As no new fresh export enquiries reported in the market. However, lower stock position with the continuous demand from poultry feed industries could support maize prices at the current level.

ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$345) reported steady from the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$376.3) and Brazil C&F (~\$353.45) and getting stiff competition from Argentina Maize C&F prices (~\$333.96).



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 53.32)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	283.96	298.45	316.3	310
Incl Cost and Freight (C&F)	333.96	353.45	376.3	345



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 but no updates for exports reported till date.

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



- Candlestick chart pattern reveals bearish sentiment in the market
- RSI is moving down towards oversold region support to bearish sentiment.
- Keltner channel also reveals bearish sentiment in the market.
- **Strategy:** Sell near 1343 and target would be 1280.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1265	1280	1382	1364	1410

INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. corn export figures reached to 7915591 metric tons for the 2012-13 marketing year which is lowered by ~53% from the last marketing year during the same period. However, Corn exports were up by 65 percent to 609200 metric tons from the last week and noticeably up from prior 4-week average. Out of total weekly exports of 609200 MT reported by U.S to Japan (209,400 MT), China (167,500 MT), Mexico (97,600 MT), Venezuela (30,000 MT), and Cuba (27,500 MT).



As per the latest IGC report, the 2012-13 world corn production is estimated higher by 15 million tons to 845 million tons from the November month estimate due to upward revision for U.S and China and brighter prospects for Argentina but still down by 3.79% from the previous year estimate. The global stock outlook is likely to be tightening by 20 million tons y-o-y basis due to increase in consumption estimate from 849 million tons to 865 million tons.

IGC Global Corn Estimate					
	2011-12 E	2012-13(forecast)			
		29th Nov	17th Jan	% change MOM	% change YOY
Production	877	830	845	1.78%	-3.79%
Trade	97	94	93	-1.08%	-4.30%
Consumption	875	849	865	1.85%	-1.16%
Carryover Stock	133	116	113	-2.65%	-17.70%
YOY change	2		-20		

International Corn Highlights

- South Korean companies Samyang Genex and Daesang Corporation have together purchased a total of 55,000 tons of European-origin corn in a direct deal.
 - As per news sources, Feed mills in Vietnam are likely to purchase corn for February shipment, although overall grain demand in Asia remained slow this week on the expectation of record-large production in South America which generally enter the market in March.
 - As per European Traders, Kuwait's buyer purchased 40,000 tons corn in a tender sourced from South America. Meanwhile, A mill in the United Arab Emirates purchased 20,000 tons corn through tender. (Source: Reuter)
 - As per preliminary Japanese government data, Japan's use of corn in animal feed production fell to 42.5 % in the November month from 45.1% during the same period last year due to higher U.S. corn prices.
 - As per European Traders, Taiwan's Maize Industry Procurement Association purchased 60,000 tons corn to be sourced from Argentina at a premium of \$1.24 a bushel C&F over the Chicago May corn contract from Cargill. The tender had sought U.S., Brazilian or Argentine corn for shipment between May 1-15 from the U.S. Gulf, between May 16-30 from the U.S. Pacific Northwest coast and from May 1-15 from Brazil or Argentina. (Source: Reuter)
 - As per European traders, The Korea Feed Association purchased 110,000 tons corn likely to be sourced from South America through tender. 55,000 tons corn for position 1 bought from Noble at \$310.60 a ton c&f and another 55,000 tons for position 2 bought from Concordia at \$313.50 a ton c&f for June 10 and June 25 corn arrival.(Source: Reuter)
 - South Korea's largest feed maker Nonghyup Feed Inc. (NOFI) has purchased 69,000 tons of corn which can be sourced optionally from the U.S. or South America in a tender. It allowed U.S. to be an option for the supplies after initially excluding U.S. origin from the purchase in the tender announcement.
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ARGENTINA

All Units In '000 MT	2009/2010	2010/2011	2011/2012	2012/2013 (Dec)	2012/2013 (Jan)	M-O-M 2013	Y-O-Y 2012
Beginning Stocks	970	2,573	4,130	940	940	0.00%	-77.24 %
Production	25,000	25,200	21,000	27,500	28,000	1.82%	33.33 %
TY Imports	4	7	8	10	10	0.00%	25.00 %
Total Availability	25974	27780	25138	28450	28950	1.76%	15.16 %
TY Exports	16,973	15,198	16,501	17,500	19,500	11.43 %	18.17 %
Total Consumption	6,900	7,300	6,700	8,300	8,300	0.00%	23.88 %
Total Usage	23,873	22,498	23,201	25,800	27,800	7.75%	19.82 %
Ending Stocks	2,573	4,130	940	1,650	1,150	-30.30 %	22.34 %
Average Monthly consumption	575.00	608.33	558.33	691.67	691.67	0.00%	23.88 %
Stocks in months to use	4.47	6.79	1.68	2.39	1.66	-30.30 %	-1.24%
Stock/Consumption Ratio	0.37	0.57	0.14	0.20	0.14	-30.30 %	-1.24%

• Source: USDA

- Despite the higher production in the year 2012-13, corn stock position is tight as exports and domestic demand is increasing y-o-y basis.
- As per USDA, Argentina is likely to produce 28 million tons output in the year 2012-13 which is higher from biggest output in the year 2010-11.
- As per Argentina's government, Argentina will approve at least 3 million tons more corn exports in 2012-13 over the coming weeks. It also forecasted a corn harvest of at least 26 million tons. The government has already freed 15 million tons of 2012-13 corn for export. Source: (Reuters)

BRAZIL

All Units In '000 MT	2009/2010	2010/2011	2011/2012	2012/2013 (Dec)	2012/2013 (Jan)	M-O-M 2013	Y-O-Y 2012
Beginning Stocks	12,084	9,989	10,276	10,576	10,076	- 4.73 %	- 1.95%
Production	56,100	57,400	73,000	70,000	71,000	1.43 %	- 2.74%
TY Imports	699	287	937	800	800	0.00 %	- 14.62 %
Total Availability	68,883	67,676	84,213	81,376	81,876	0.61 %	- 2.78%
TY Exports	8,623	11,583	12,674	21,000	22,500	7.14 %	77.53 %
Total Consumption	47,000	49,500	52,500	55,000	55,000	0.00 %	4.76%
Total Usage	55,623	61,083	65,174	76,000	77,500	1.97 %	18.91 %
Ending Stocks	9,989	10,276	10,076	10,376	9,376	- 9.64 %	- 6.95%
Average Monthly consumption	3916.67	4125.00	4375.00	4583.33	4583.33	0.00 %	4.76%
Stocks in months to use	2.55	2.49	2.30	2.26	2.05	- 9.64 %	- 11.18 %
Stock/Consumption Ratio	0.21	0.21	0.19	0.19	0.17	- 9.64 %	- 11.18 %

• Source: USDA

As per news sources, Brazil's corn output has been rising in recent years, culminating in a record crop of 72.7 million tons last season, mostly due to farmers' ability to plant a second crop of corn in the central region after their main soybean crop is harvested. However, this time, Brazil is likely to produce corn lower by 2.74% to 71 million tons in the year 2012/13 against last year as later soybean harvest leaves a smaller window for autumn corn planting. For this, they must plant soybeans early enough to harvest them by April or May, South America's autumn, if they are to have time to plant the corn crop, known as the "safrinha. Even with a smaller area planted, recovery in states that suffered drought last year, like Rio Grande do Sul and Santa Catarina should result in a larger volume of corn harvested in the summer season. However, the crop losses of last year will not be repeated because of good rainfall in the previous months. USDA also raised the Brazil corn production by 1.0 million tons to 71 million tons on higher expected yields with favorable December rainfall across the southern growing areas. However, Dryness in southern Brazil is a big concern which could reduce the expected output of 71 million tons. Source: (Reuters)

UKRAINE

All Units In '000 MT	2009/2010	2010/2011	2011/2012	2012/2013 (Dec)	2012/2013 (Jan)	M-O-M 2013	Y-O-Y 2012
Beginning Stocks	937	672	1,121	1,052	1,052	0.00 %	- 6.16%
Production	10,486	11,919	22,838	20,500	20,500	0.00 %	- 10.24 %
TY Imports	21	38	50	50	50	0.00 %	0.00%
Total Availability	11444	12629	24009	21602	21602	0.00 %	- 10.03 %
TY Exports	5,072	5,008	15,157	12,500	12,500	0.00 %	- 17.53 %
Total Consumption	5,700	6,500	7,800	8,000	8,000	0.00 %	2.56%
Total Usage	10,772	11,508	22,957	20,500	20,500	0.00 %	- 10.70 %
Ending Stocks	672	1,121	1,052	1,102	1,102	0.00 %	4.75%
Average Monthly consumption	475.00	541.67	650.00	666.67	666.67	0.00 %	2.56%
Stocks in months to use	1.41	2.07	1.62	1.65	1.65	0.00 %	2.13%
Stock/Consumption Ratio	0.12	0.17	0.13	0.14	0.14	0.00 %	2.13%

• Source: USDA

- As per news sources, Ukraine consumes about 10 million tons of corn per season
- 441,000 hectares of corn had replaced the area of winter grains killed by severe frosts in January-February.
- Ukraine can supply 10-15 million tons of corn to china.(Source: Reuters)

CHINA

All Units In '000 MT	2009/2010	2010/2011	2011/2012	2012/2013 (Dec)	2012/2013 (Jan)	M-O-M 2013	Y-O-Y 2012
Beginning Stocks	51,183	51,302	49,415	59,335	59,335	0.00 %	20.07%
Production	163,974	177,245	192,780	208,000	208,000	0.00 %	7.90%
TY Imports	1,296	979	5,231	2,000	2,000	0.00 %	- 61.77%
Total Availability	216,453	229,526	247,426	269,335	269,335	0.00 %	8.85%
TY Exports	151	111	91	200	200	0.00 %	119.78 %
Total Consumption	165,000	180,000	188,000	209,000	209,000	0.00 %	11.17%
Total Usage	165,151	180,111	188,091	209,200	209,200	0.00 %	11.22%
Ending Stocks	51,302	49,415	59,335	60,135	60,135	0.00 %	1.35%
Average Monthly consumption	13750.00	15000.00	15666.67	17416.67	17416.67	0.00 %	11.17%
Stocks in months to use	3.73	3.29	3.79	3.45	3.45	0.00 %	-8.84%
Stock/Consumption Ratio	0.31	0.27	0.32	0.29	0.29	0.00 %	-8.84%

• Source: USDA

- World's second largest corn consumer relies on the U.S. for 97% of its corn imports have shifted towards Thailand and Laos this year.
- Some of the exports would be under a deal for Ukraine to supply 2-2.5 million tons of corn to china every year to help pay off a \$ 3 billion loan from Beixing to finance agricultural projects.
- Chinese companies, including top trading house COFCO and top animal feed producer New Hope Group are interested in buying corn from Ukraine, aiding that supply could reach 10-15 million tons to china each year at prices more than 20% lower than U.S.
- According to figures of the General Administration of Customs of China, China' corn imports in 2012 increased by 197% to 5.2 million tons due to strong domestic meat demand from animal feed production and cheap international prices during the first half of the year. Tight domestic corn stocks also encouraged the state stockpile to import corn from the United States. As per news sources, The government may continue imports overseas as there is still a need for filling reserves, but imports are expensive at this time. (source: Reuters)

U.S

All Units In '000 MT	2009/2010	2010/2011	2011/2012	2012/2013 (Dec)	2012/2013 (Jan)	M-O-M 2013	Y-O-Y 2012
Beginning Stocks	42,504	43,380	28,644	25,107	25,122	0.06%	-12.30%
Production	332,549	316,165	313,949	272,432	272,832	0.15%	-13.10%
TY Imports	237	684	765	2,500	2,500	0.00%	226.80%
Total Availability	375,290	360,229	343,358	300,039	300,454	0.14%	-12.50%
TY Exports	49,721	45,244	38,430	31,000	26,000	16.13%	-32.34%
Total Consumption	281,590	285,014	279,023	254,444	262,063	2.99%	-6.08%
Total Usage	331,311	330,258	317,453	285,444	288,063	0.92%	-9.26%
Ending Stocks	43,380	28,644	25,122	16,424	15,300	6.84%	-39.10%
Average Monthly consumption	23465.83	23751.17	23251.92	21203.67	21838.58	2.99%	-6.08%
Stocks in months to use	1.85	1.21	1.08	0.77	0.70	9.55%	-35.16%
Stock/Consumption Ratio	0.15	0.10	0.09	0.06	0.06	9.55%	-35.16%

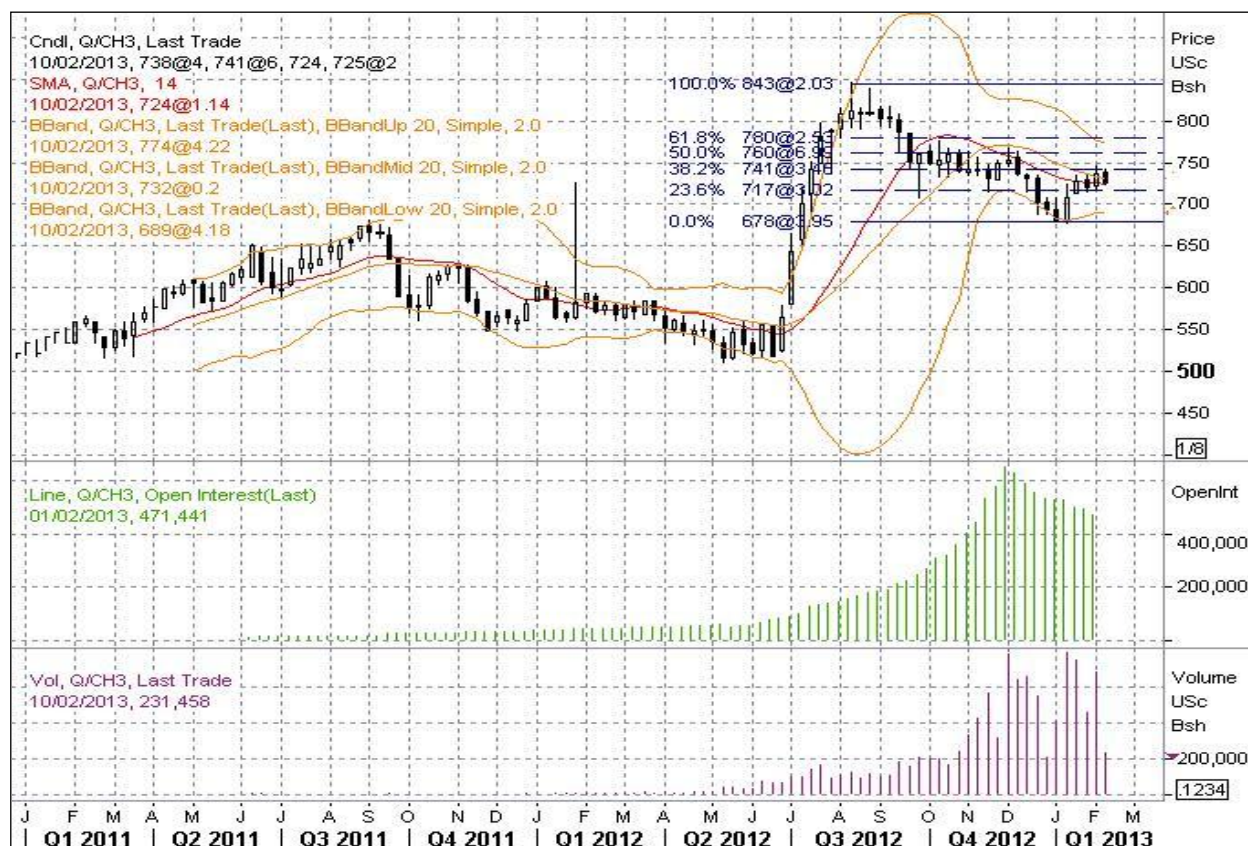
• Source: USDA

- Informa Economics has raised its 2013 US corn planting forecast to 99.303 million acres from previous forecast of 99.026 million acres. Informa has also revised its estimate of U.S. 2012 corn production to 10.8 billion bushels from 10.725 billion bushels. It has put the U.S. 2012 corn yield at 123.3 bushels per acre, up from 122.3 bushels per acre previously.
- In the latest WASDE report, the USDA pegged the 2012 U.S. corn crop at 10.780 billion bushels and the 2012-13 U.S. corn ending stocks at 602 million bushels. Harvested area for corn was lowered 346,000 acres, but a 1.1-bushel-per-acre increase in the estimated yield boosts production 55 million bushels. However, increase in use of corn offsetting increase in yield result in decrease in corn ending stock. Global corn ending stock for 2012/13 is projected lower by 1.6 million tons on lower expected stock in the U.S., Brazil and Argentina.
- As per agricultural meteorologists, dry weather in the U.S. Plains and western Midwest continues to cause concern about harm to the portions of the corn. Source: (Reuters)

OUTLOOK:

USDA and IGC estimates, globally tight stock position of corn could keep prices firm. Globally tight stock position of corn with the improvement in export demand as global prices surge could keep corn prices high in the next month However; weather forecast for Argentina could weigh on CBOT corn prices in the near term.

Maize CBOT Monthly Futures Price Listing (Cents/bushel)				
	Contract Month	30/1/2013	28/12/2012	Change
Corn CBOT Prices	Mar-13	291.36	273.16	+18.2
	May-13	291.66	274.24	+17.42
	Jul-13	288.12	273.45	+14.67
	Sep-13	242.75	244.52	-1.77

CBOT MAIZE WEEKLY CHART: MARCH 2013 CONTRACT


- Breach of 717 USD cents/ bushels level, would take the prices down to 678 USD cents / bushels.
- Strategy: Sell on rally.

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