

EXECUTIVE SUMMARY:

India has started offering new-crop corn at \$298-\$300 a ton on C&F basis for shipment to Southeast Asia in April and May, as compared with Argentine corn being quoted around \$314-\$315 a ton. Malaysian feed millers bought 60,000 tons of Indian corn for arrival in April. (Source: Reuters).

Maize is moving towards Hyderabad at Rs. 1400 per quintal sourced from Nizamabad region of A.P., Meanwhile, Maize is moving towards Chennai and Mangalore at Rs. 1460 per quintal sourced from koppal.

During the month, Ahmadabad feed millers of Gujarat purchased maize from Maharashtra region in a range of Rs. 1420-1480 per quintal. However, demand for maize from starch industry reported dull. Stock position is lower at this time in the Ahmadabad market of maize. Sources revealed that maize could trade steady in the month of March. From the April onwards, new crop arrivals from Bihar could weigh on the prices if export demand does not rise.

In Bihar, maize crop is good in condition. Sources revealed that corn stocks in mandis are very less and new crop would arrive till the first week of April. No trade activities reported at this time due to lower stock. However, some demand from Kolkata feed millers reported around at Rs. 1600-1625 per quintal during the February month (Delivery rate).

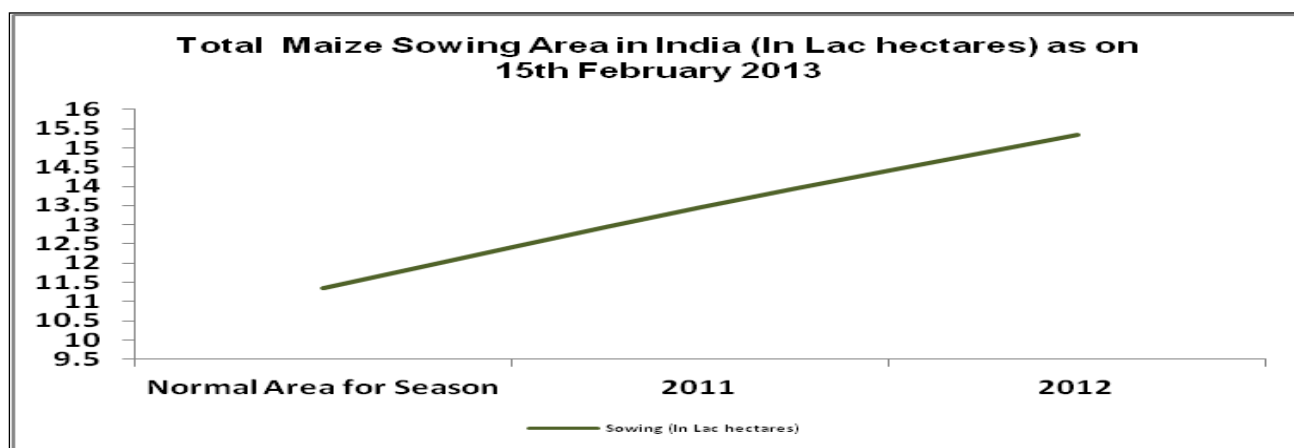
In Bhiwani region of Haryana, sources revealed that demand for bajra from poultry industries could shift towards maize in the coming weeks due to change in weather conditions and support maize prices.

STATE WISE RABI PRODUCTION ESTIMATES FOR 2012-13

	Production (figures in '000 tons)				
<u>States</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13E</u>
Andhra Pradesh	2585.00	1765.00	2315.00	2269.00	2691.46
Bihar	1342.20	1076.25	1021.83	988.31	1225.16
Gujarat	136.00	137.00	128.31	230.00	198.80
Karnataka	309.00	260.00	330.00	426.00	405.58
Maharashtra	237.00	297.00	393.00	306.00	274.34
Tamil Nadu	568.20	450.90	472.70	771.28	968.49
West Bengal	91.90	132.53	84.36	275.00	161.21
All India	5610.90	4426.18	5088.38	5351.52	5925.03

RABI SOWING UPDATE:

As per the data released by the Ministry of Agriculture as on 15th Feb, 2013, area sown under maize during Rabi season for 2012-13 is estimated higher by 1.88 lakh hectares to 15.34 lakh hectares from the last year.

INDIA

STATE WISE RABI SOWING AS ON 15TH FEB'2013

State	Normal Area	Area Covered(2012-13)	Area Covered(2011-12)	Absolute Change	Y-O-Y(% Change)
Andhra Pradesh	2.792	3.95	3.26	0.69	0.21
Arunachal Pradesh	0.053	0.08	0.068	0.01	0.18
Assam	-	0.09	0	0.09	
Bihar	3.277	4.19	3.51	0.68	0.19
Chhattisgarh	-	0.357	0.25	0.11	0.43
Gujarat	0.813	0.994	1.06	-0.07	-0.06
Jharkhand	0.121	0.07	0.08	-0.01	-0.13
Karnataka	1.22	1.39	1.19	0.20	0.17
Maharashtra	1.184	1.3	1.195	0.11	0.09
Orissa	0.028	0.13	0.15	-0.02	-0.13
Tamil Nadu	0.811	1.932	2.014	-0.08	-0.04
Uttar Pradesh	0.192	0.4	0.37	0.03	0.08
West Bengal	0.52	0.34	0.24	0.10	0.42
Others	0.34	0.12	0.069	0.05	0.74
All-India	11.351	15.343	13.456	1.89	0.14

INDIA MAIZE BALANCE SHEET

				2012-13 Quarterly B/S			
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13*E</u>	<u>Oct-Dec'12</u>	<u>Jan-Mar'13 E</u>	<u>Apr-Jun'13 F</u>	<u>July-Sep 13 F</u>
Opening Stocks	0.481	1.131	1.041	1.041	2.338	2.031	1.817
Production	21.730	21.600	19.400	10.800	2.700	4.000	1.000
Farmer's Release	15.211	15.120	10.640	3.192	3.192	2.660	1.596
Govt. Procurement	0.051	0.017	0.010	0.002	0.001	0.003	0.003
Pvt Trade Release	6.468	6.463	7.750	1.163	2.325	2.713	1.550
Seed Retention			1.000	0.800	0.000	0.200	0.000
Imports	0.020	0.010	0.000	0.000	0.000	0.000	0.000
Total Supply	22.744	22.915	20.441	6.198	7.856	7.607	4.966
Export	3.100	4.800	3.000	0.400	1.500	0.600	0.500
Domestic Consumption	18.000	16.900	17.300	3.460	4.325	5.190	4.325
Carry Out	1.131	1.041	0.141	2.338	2.031	1.817	0.141

- All figures in million tons

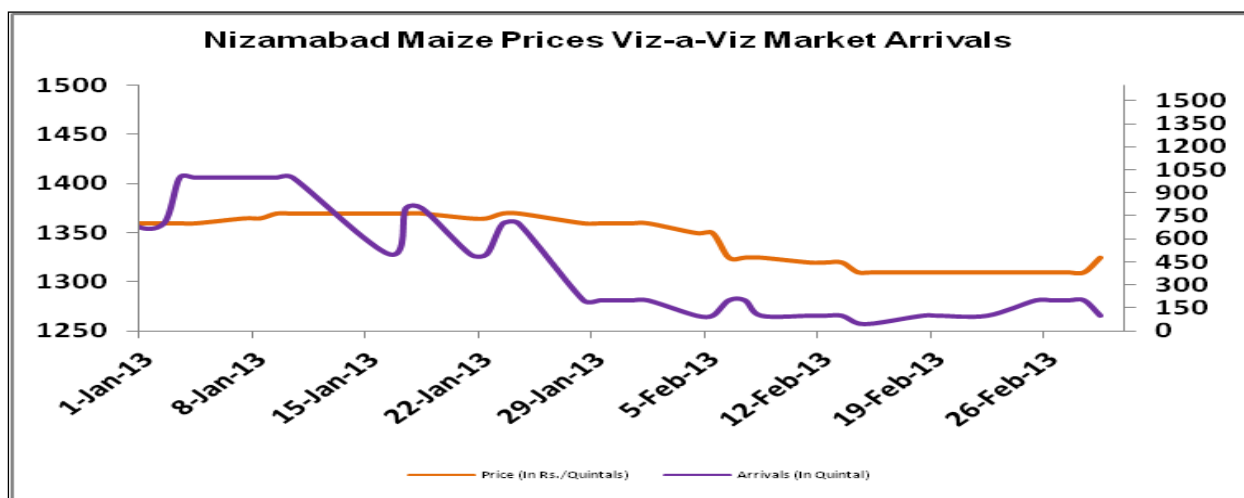
- The seed has consumed 0.8 MN T IN OCT-DEC'12 AND 0.2 MN T IN APR-JUN'13 Quarter.

STATE - WISE MARKET DYNAMICS

ANDHRA PRADESH

In the Nizamabad region of A.P., despite the lower crop arrivals, maize prices reported down from the last month due to lower export demand.

During the month, demand for maize was reported from local starch industry at the lower rate of Rs. 1310-1350 per quintal. Currently, maize is moving towards Hyderabad at Rs. 1400 per quintal sourced from Nizamabad region of A.P. As per trade sources, despite the lower stock in A.P. (around 25,000 tons), prices are going down due to higher stock position in Karnataka and Tamil Nadu. If export demand comes, exporters have option to purchase from that.

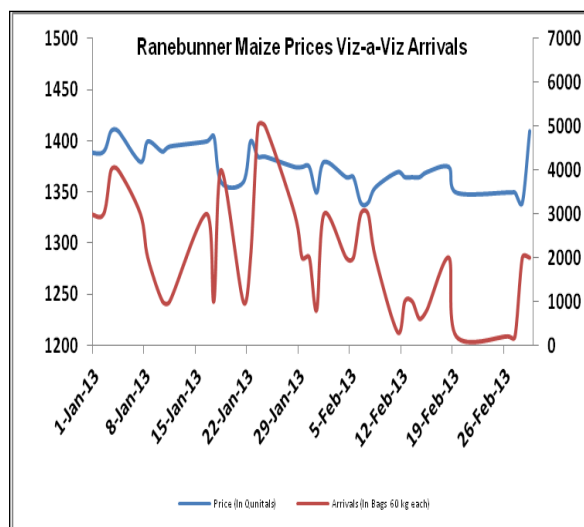
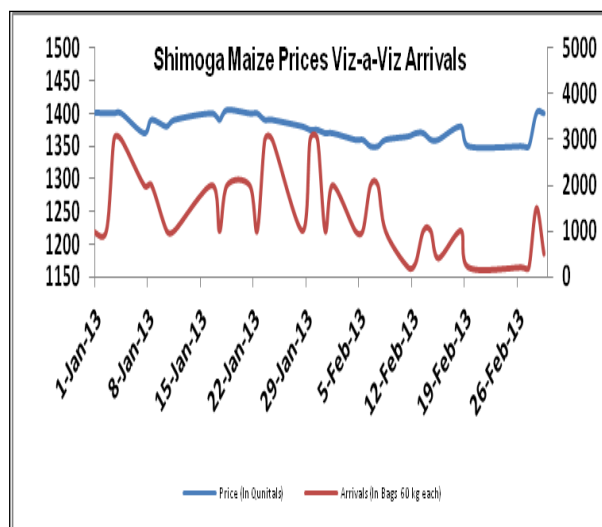
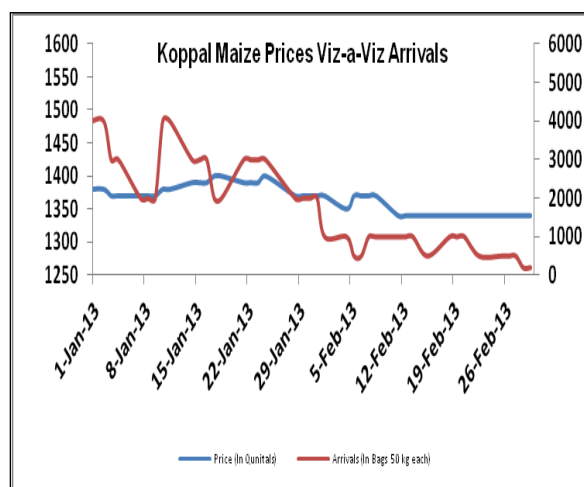
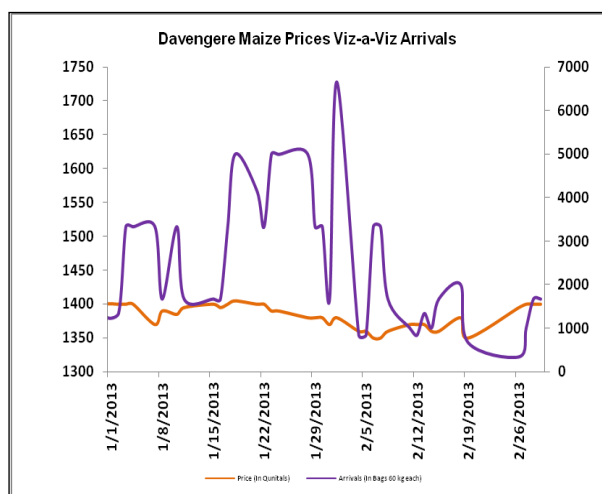


BIHAR

In Bihar, maize crop is good in condition. Sources revealed that corn stocks in mandis are very less and new crop would arrive till the first week of April. Meanwhile, demand from kolkatta feed millers reported around at Rs. 1600-1625 per quintal (Delivery rate).

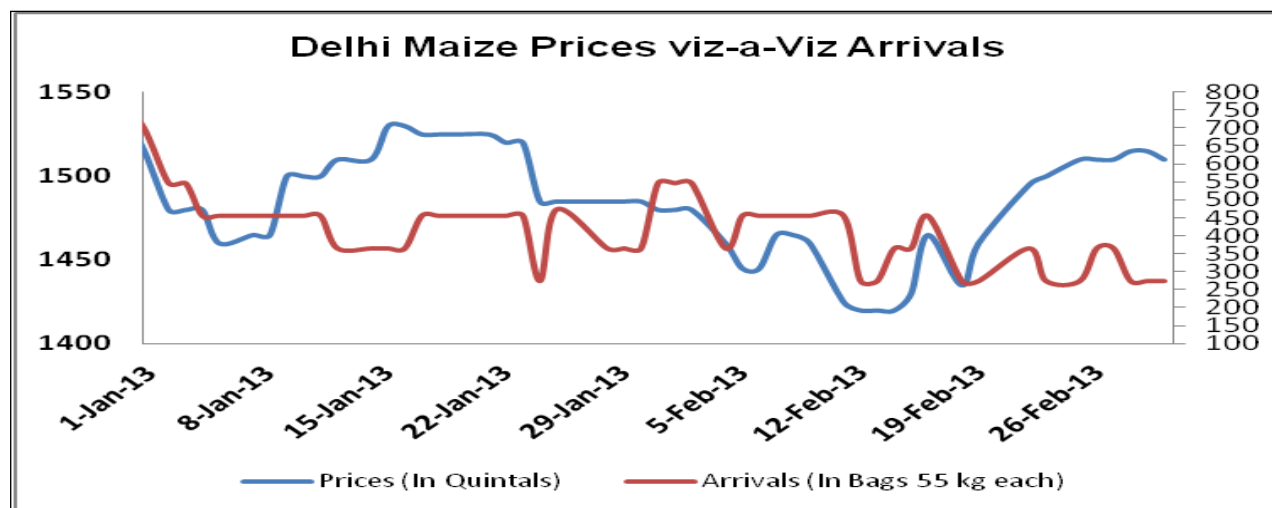
KARNATAKA

Maize is moving towards Chennai and Mangalore at Rs. 1460 per quintal sourced from koppal. As per trade sources, in Karnataka, maize stock would be around 1 lakh tons which is little bit lower from last year.



DELHI

Sources revealed that maize could trade firm in the near term with the higher poultry demand. As per trade sources, around 1-1.25 lakh bags of maize could be in the Delhi market.



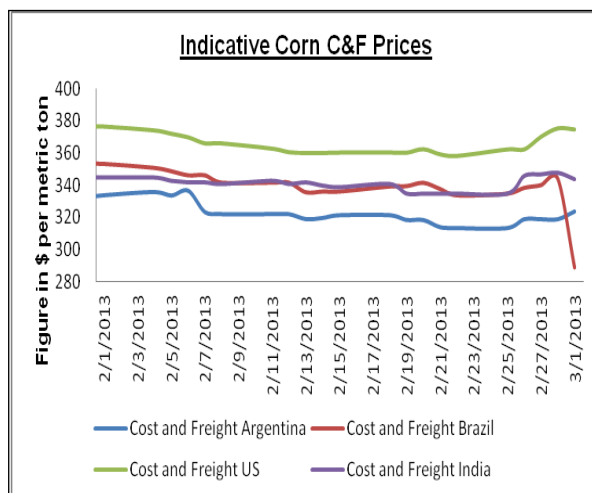
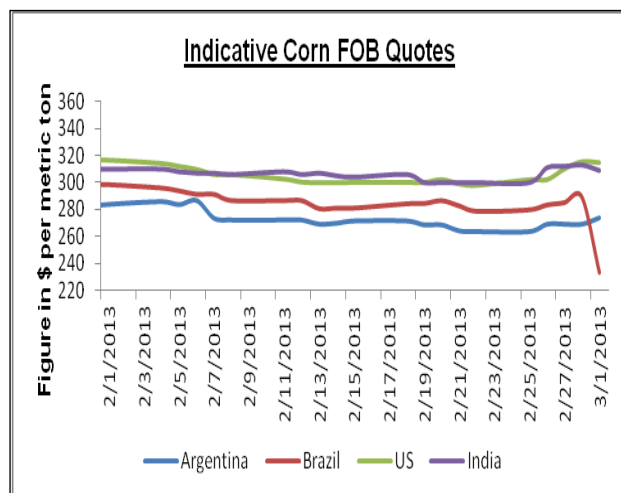
Month-wise Average prices of Maize at various markets					
Market	2013-Feb	2013-Jan	2012-Feb	% Change from Prev. Month	% Change from Prev. Year
Delhi (U.P origin)	1515	1480	-	2.36	-
Naugachia	-	-	-	-	-
Davangere	1400	1370	1150	2.19	21.74
Koppal	1340	1370	1165	-2.19	15.02
Shimoga	1400	1370	-	2.19	-
Ranebennur	1340	1350	-	-0.74	-
Bagalkot	1312	-	-	-	-
Gadag	1279	-	-	-	-
Hubli	1295	-	-	-	-
Nizamabad	1310	1360	1160	-3.68	12.93
Karimnagar	-	-	-	-	-
Khammam	-	-	-	-	-
khanna	1450	1480	-	-2.03	-
Ludhiana	1460	1460	-	0.00	-
Salem	-	-	-	-	-
Sangli	1403	1428	-	-1.75	-

PRICE OUTLOOK:

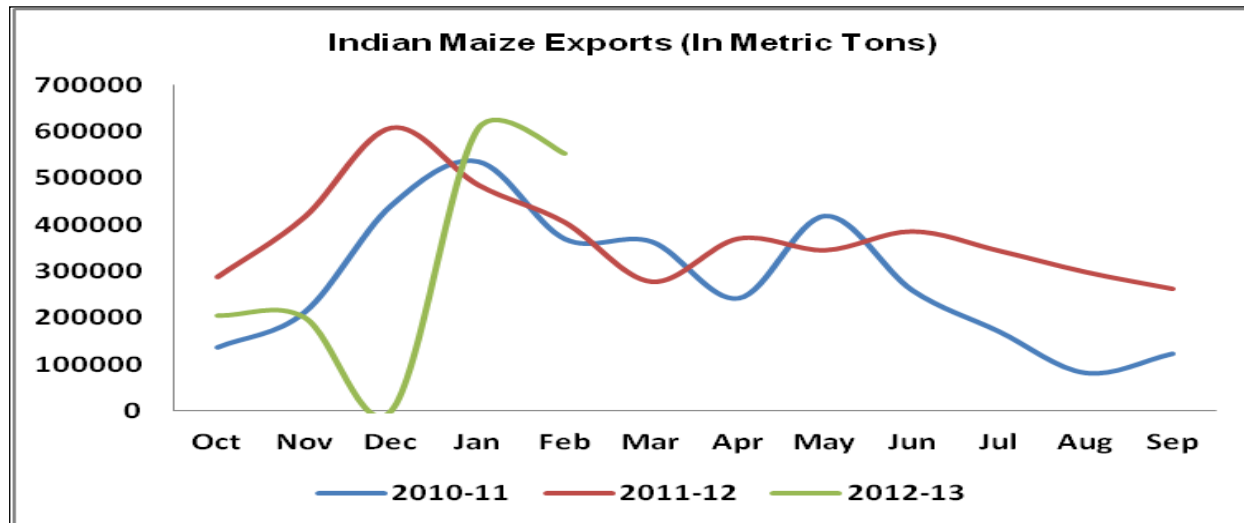
We expect maize prices could trade steady in the March month. From the April onwards, new crop arrivals could weigh on the prices if export demand does not rise.

ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$344) increased by \$9.00 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$374.55) and getting stiff competition from Brazil C&F (~\$288.63) and Argentina Maize C&F prices (~\$323.82).



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 54.48)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	273.82	233.63	314.55	309
Incl Cost and Freight (C&F)	323.82	288.63	374.55	344



On the export front, in the current marketing year (Oct12-Sep13), total maize exports reported around 1.564 million tons during the October- February month. During Feb month, 0.552 million tons corn exports reported to Indonesia, UAE, Vietnam, Malaysia, Taiwan, China, Bahrain, Singapore, Philippines through JNPT Sea, Chennai Sea, Tondiarpet ICD, Raxaul LCS, Vizag Sea port.

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



- Candlestick chart pattern reveals range bound movement in the market
- RSI is moving up in oversold region which might take correction in the short run.
- However, prices closed below 9 and 18 days EMAs indicates to bearish sentiment.
- 1274 seems like a strong support level.
- **Strategy:** Buy near 1293 and target would be 1335.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1274	1293	1382	1335	1358

INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. corn export figures reached to 9069726 metric tons for the 2012-13 marketing year which is lowered by ~55% from the last marketing year during the same period. However, Corn exports were up by 15 percent to 296300 metric tons from the previous week but down 19% from the prior 4-week average. Out of total weekly exports of 296300 MT reported by U.S to Japan (173,900 MT), Venezuela (67,000 MT), Mexico (17,000 MT), Jamaica (10,500 MT), and Taiwan (8,600 MT).



As per the latest IGC report, the 2012-13 world corn production is estimated higher by 5 million tons to 850 million tons from the January month estimate. Planting of the 2013/14 crop will soon commence in the northern hemisphere and the global area is tentatively forecast up 0.6% y/y led by an anticipated further growth in the US, although spring rainfall will be crucial in drought-affected areas. The global stock outlook is likely to be tightening by 16 million tons y-o-y basis.

IGC Global Corn Estimate					
	2011-12 E	2012-13(forecast)			
		17th Jan	21st Feb.	% change MOM	% change YOY
Production	877	845	850	0.59%	-3.18%
Trade	97	93	94	1.06%	-3.19%
Consumption	877	865	867	0.23%	-1.15%
Carryover Stock	131	113	114	0.88%	-14.91%
YOY change	0		-16		

INTERNATIONAL CORN HIGHLIGHTS

- As per Reuters Forecast, Indonesia is likely to produce corn higher by 9.9% to 19.38 million tons from the previous year.
 - The European Union granted license to import 221,000 tons of maize, bringing the total this season to 7.85 million tons, up from 3.3 million at the same stage last year. (Source: Reuters)
 - As per European Traders, The Korea Feed Association bought about 69,000 tons of corn at a price of \$310.90 a ton C&F basis, likely to be sourced from South America for arrival by July 15. (Source: Reuters)
 - As per European Traders, Taiwan's MFIG corn purchasing group purchased 60,000 tons of corn sourced from Argentina through tender. (Source: Reuters)
 - As per preliminary Japanese government data, Japan's use of corn in animal feed production fell to 42.7 % in the December month from 45.2% during the same month last year due to higher U.S. corn prices.
 - As per European traders, Israeli private buyers have purchased about 100,000 tons of corn in a tender which closed on Thursday. It had earlier issued an international tender to purchase up to 105,000 tons of corn. The corn was bought in three consignments for shipment between Mar. 5 to June 10 depending on origin, at \$303 a ton C&F, \$301.20 a ton C&F and 88 cents C&F over the Chicago July corn contract. (Source: Reuters)
 - European traders reported that South Korean feed maker Nonghyup Feed Inc. has purchased 108,000 tons of corn, mainly sources from South America through tender. It had earlier issued an international tender to purchase up to 195,000 tons of corn (40,000 to 55,000 tons of corn was sought for arrival by Apr. 25, 40,000 to 70,000 tons was for arrival by July 10 and 40,000 to 70,000 tons by July 20) excluding US-origin corn due to price and quality concern. (Source: Reuters)
 - As per chairman of Indonesian Feed Mill Association, Indonesia is likely to import higher by 0.45 million tons to 2 million tons corn from last year, on increasing demand for animal feed.
 - As per news sources, South Korea's largest feedmaker Nonghyup Feed (NOFI) purchased earlier this week 69,000 tons of corn in a direct deal with Cargill at 105.00 cents a bushel c&f over the Chicago July corn contract. It is for arrival by July 30. The deal was made after NOFI made no purchase in corn tender for 140,000 tons due to higher prices. (Source: Reuters)
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ARGENTINA

<u>All Units In '000 MT</u>	<u>2009/20</u> <u>10</u>	<u>2010/20</u> <u>11</u>	<u>2011/20</u> <u>12</u>	<u>2012/20</u> <u>13 (Jan)</u>	<u>2012/20</u> <u>13 (Feb)</u>	<u>M-O-</u> <u>M</u> <u>2013</u>	<u>Y-O-Y</u> <u>2012</u>
Beginning Stocks	970	2,573	4,130	940	940	0.00 %	- 77.24 %
Production	25,000	25,200	21,000	28,000	27,000	- 3.57 %	- 28.57 %
TY Imports	4	7	8	10	10	0.00 %	25.00 %
Total Availability	25974	27780	25138	28950	27950	- 3.45 %	- 11.19 %
TY Exports	16,973	15,198	16,501	19,500	19,500	0.00 %	18.17 %
Total Consumption	6,900	7,300	6,700	8,300	7,900	- 4.82 %	- 17.91 %
Total Usage	23,873	22,498	23,201	27,800	27,400	- 1.44 %	- 18.10 %
Ending Stocks	2,573	4,130	940	1,150	1,050	- 8.70 %	- 11.70 %
Average Monthly consumption	575.00	608.33	558.33	691.67	658.33	- 4.82 %	- 17.91 %
Stocks in months to use	4.47	6.79	1.68	1.66	1.59	- 4.07 %	- 5.27%
Stock/Consumption Ratio	0.37	0.57	0.14	0.14	0.13	- 4.07 %	- 5.27%

• Source: USDA

Informa Economics kept its estimate of Argentina's 2012-13 corn production unchanged at 25 million tons which match from the Buenos Aires Grains Exchange estimate but below from USDA's estimate of 27 million tons. However, this output is biggest from the highest output in the year 2010-11. USDA last month estimated 28 million tons corn production which has reduced by 1 million tons to 27 million tons in the Feb estimate.

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.

BRAZIL

All Units In '000 MT	<u>2009/20</u> <u>10</u>	<u>2010/20</u> <u>11</u>	<u>2011/20</u> <u>12</u>	<u>2012/20</u> <u>13 (Jan)</u>	<u>2012/20</u> <u>13 (Feb)</u>	<u>M-O-</u> <u>M</u> <u>2013</u>	<u>Y-O-Y</u> <u>2012</u>
Beginning Stocks	12,084	9,989	10,276	10,076	9,576	- 4.96%	- 6.81%
Production	56,100	57,400	73,000	71,000	72,500	2.11%	- 0.68%
TY Imports	699	287	937	800	800	0.00%	- 14.62 %
Total Availability	68,883	67,676	84,213	81,876	82,876	1.22%	- 1.59%
TY Exports	8,623	11,583	12,674	22,500	24,500	8.89%	93.31 %
Total Consumption	47,000	49,500	52,500	55,000	53,000	- 3.64%	- 0.95%
Total Usage	55,623	61,083	65,174	77,500	77,500	0.00%	18.91 %
Ending Stocks	9,989	10,276	10,076	9,376	10,876	16.00 %	7.94%
Average Monthly consumption	3916.67	4125.00	4375.00	4583.33	4416.67	- 3.64%	- 0.95%
Stocks in months to use	2.55	2.49	2.30	2.05	2.46	20.38 %	6.92%
Stock/Consumption Ratio	0.21	0.21	0.19	0.17	0.21	20.38 %	6.92%

• Source: USDA

Informa Economics has raised its estimate of Brazil's corn crop to 71.6 million tons from 70.3 million tons previously. Meanwhile, Brazil's government food supply agency, CONAB, expects a 2012-13 corn production of 76 million tons, compared with the January projection of 72.2 million tons. USDA also raised the Brazil corn production estimate by 1.5 million tons to 72.5 million tons from the last month on higher expected yields with favorable weather conditions.

<u>Production (figures in million tons)</u>		
	Argentina	Brazil
Average trade estimate	25.452	72.343
Highest trade estimate	26.5	75.8
Lowest trade estimate	24	68
USDA February estimate	27	72.5

UKRAINE

All Units In '000 MT	<u>2009/20</u> <u>10</u>	<u>2010/20</u> <u>11</u>	<u>2011/20</u> <u>12</u>	<u>2012/20</u> <u>13 (Jan)</u>	<u>2012/20</u> <u>13 (Feb)</u>	<u>M-O-</u> <u>M</u> <u>2013</u>	<u>Y-O-Y</u> <u>2012</u>
Beginning Stocks	937	672	1,121	1,052	1,052	0.00 %	- 6.16%
Production	10,486	11,919	22,838	20,500	20,922	2.06 %	- 8.39%
TY Imports	21	38	50	50	50	0.00 %	0.00%
Total Availability	11444	12629	24009	21602	22024	1.95 %	- 8.27%
TY Exports	5,072	5,008	15,157	12,500	13,000	4.00 %	- 14.23 %
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	21,000	2.44 %	- 8.52%
Ending Stocks	672	1,121	1,052	1,102	1,024	- 7.08 %	- 2.66%
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	1.54	- 7.08 %	- 5.10%
Stock/Consumption Ratio	0.12	0.17	0.13	0.14	0.13	- 7.08 %	- 5.10%

• Source: USDA

UkrAgroConsult forecast higher maize production of Ukraine in 2013 by 1.2 million tons to 21.2 million tons from the previous forecast due to a larger sowing area and higher grain yields. USDA also raised its production estimates 0.422 million tons to 20.9 million tons. (Source: Reuters)

CHINA

<u>All Units In '000 MT</u>	<u>2009/20</u> <u>10</u>	<u>2010/20</u> <u>11</u>	<u>2011/20</u> <u>12</u>	<u>2012/20</u> <u>13 (Jan)</u>	<u>2012/20</u> <u>13 (Feb)</u>	<u>M-O-</u> <u>M</u> <u>2013</u>	<u>Y-O-Y</u> <u>2012</u>
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	2,500	25.00 %	- 52.21%
Total Availability	216,453	229,526	247,426	269,335	269,835	0.19%	9.06%
TY Exports	151	111	91	200	200	0.00%	119.78 %
Total Consumption	165,000	180,000	188,000	209,000	209,500	0.24%	11.44%
Total Usage	165,151	180,111	188,091	209,200	209,700	0.24%	11.49%
Ending Stocks	51,302	49,415	59,335	60,135	60,135	0.00%	1.35%
Average Monthly consumption	13750.0 0	15000.0 0	15666.6 7	17416.6 7	17458.3 3	0.24%	11.44%
Stocks in months to use	3.73	3.29	3.79	3.45	3.44	- 0.24%	-9.05%
Stock/Consumption Ratio	0.31	0.27	0.32	0.29	0.29	- 0.24%	-9.05%

• Source: USDA

Private feed mills in China bought four cargoes of U.S. corn which will be harvested in September. The corn for delivery after September was sold at a price of about \$296 per ton, cost and freight basis. The cargoes were bought by small-size feed mills -- some big mills are still waiting for U.S. corn prices to fall further as The USDA has forecasted the U.S. corn crop at 14.350 billion bushels, up 35 percent on the year. (Source: Reuters)

U.S

All Units In '000 MT	2009/20 10	2010/20 11	2011/20 12	2012/20 13 (Jan)	2012/20 13 (Feb)	M-O- M 2013	Y-O-Y 2012
Beginning Stocks	42,504	43,380	28,644	25,122	25,122	0.00 %	- 12.30%
Production	332,549	316,165	313,949	272,832	272,832	0.00 %	- 13.10%
TY Imports	237	684	765	2,500	2,500	0.00 %	226.80 %
Total Availability	375,290	360,229	343,358	300,454	300,454	0.00 %	- 12.50%
TY Exports	49,721	45,244	38,430	26,000	24,000	- 7.69 %	- 37.55%
Total Consumption	281,590	285,014	279,023	262,063	262,571	0.19 %	-5.90%
Total Usage	331,311	330,258	317,453	288,063	286,571	- 0.52 %	-9.73%
Ending Stocks	43,380	28,644	25,122	15,300	16,062	4.98 %	- 36.06%
Average Monthly consumption	23465.8 3	23751.1 7	23251.9 2	21838.5 8	21880.9 2	0.19 %	-5.90%
Stocks in months to use	1.85	1.21	1.08	0.70	0.73	4.78 %	- 32.06%
Stock/Consumption Ratio	0.15	0.10	0.09	0.06	0.06	4.78 %	- 32.06%

• Source: USDA

According to crop forecaster Lanworth, the 2013-14 US corn production is likely to be 13.8 billion bushels with average yields increasing to 155.6 bushels per acre. USDA kept its corn production estimates unchanged from the last month. Export demand for U.S corn is decreasing y-o-y basis.

OUTLOOK:

During Feb month, Corn traded down on CBOT due to improving crop weather prospects in the U.S. and Argentina with the lower export demand. Still, lower export demand for U.S corn and improving crop weather in Argentina and U.S. weighing on U.S. corn prices.

Maize CBOT Monthly Futures Price Listing (Cents/bushel)				
	Contract Month	28.02.2013	31.01.2013	Change
Corn CBOT Prices	13-Mar	283.20	291.36	-8.16
	13-May	276.90	291.66	-14.76
	13-Jul	269.52	288.12	-18.60
	13-Sep	229.37	242.75	-13.38
	13-Dec	219.24	243.75	-24.51

CBOT MAIZE MONTHLY CHART: MAY 2013 CONTRACT



- Candlestick chart pattern reveals bearish sentiment in the market.
- Strategy: Sell on rally and target would be 660 USD cents / bushels.

Disclaimer

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