

EXECUTIVE SUMMARY:

In A.P., new crop arrivals have started. However, market participants are still waiting for Bihar crop which is expected in the third week of April. Sources revealed that forward contract has been made at the beginning of March month for the Bihar crop at the rate of Rs. 1320 per quintal for May delivery. Currently, new crop arrival from A.P, contains high moisture level i.e. around 16 %, resulted lower demand for that. We expect that new crop arrival from Bihar could weigh on the prices in the near term.

During the month, in the Ahmadabad market of maize, arrivals from Maharashtra reported lower. Meanwhile, local poultry feed makers demand reported lower at Rs. 1430-1480 per quintal while starch industry demand for corn reported at Rs. 1475-1500 per quintal during last month.

As per Reuter news, during second week of March, Indian traders have struck a rare deal to export 13,700 tons of corn to China at around \$275 per ton, free on board, for April shipment. This deal is on a trial basis as there are quarantine issues to be resolved. Another trader said that Indonesia is buying Indian corn around \$293/ton, cost and freight basis. Tight supply in the U.S. and shipment delays of several weeks from Brazil has pressed several importers in Southeast Asia to turn to India to meet immediate needs.

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	1.131	1.041	1.041	2.362	1.885	1.700
Production	21.730	21.600	19.500	10.800	2.700	4.800	1.200
Farmer's Release	15.211	15.120	10.700	3.210	3.210	2.675	1.605
Govt. Procurement	0.051	0.017	0.010	0.002	0.001	0.003	0.003
Pvt Trade Release	6.468	6.463	7.790	1.169	2.337	2.727	1.558
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	20.541	6.222	7.910	7.490	4.866
Export	3.100	4.800	3.200	0.400	1.700	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	0.041	2.362	1.885	1.700	0.041

- **E= AW Estimates, F=AW Forecast**
- **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.**

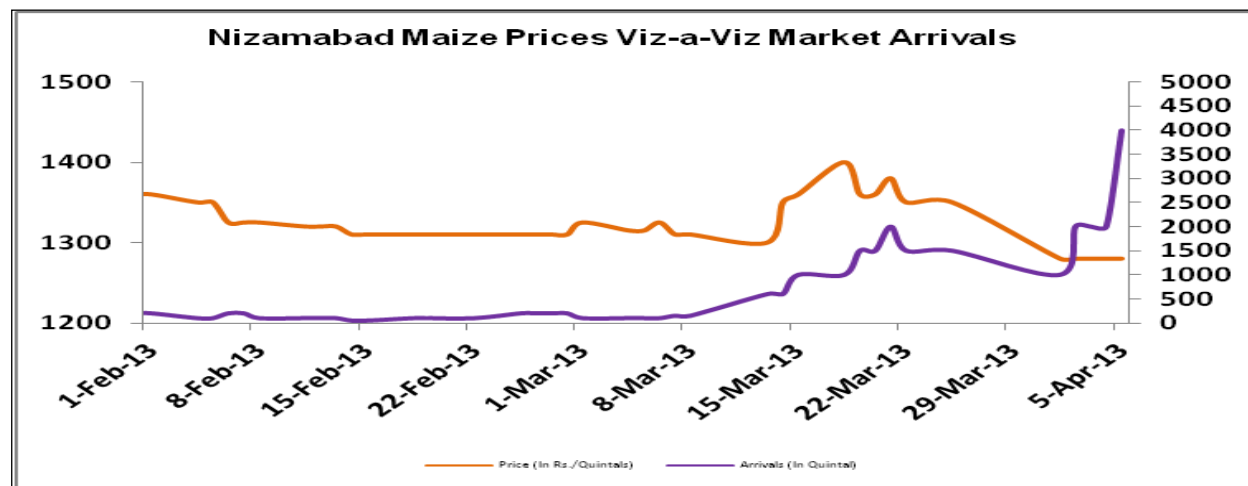
STATE - WISE MARKET DYNAMICS

BIHAR

Market participants are waiting for new crop arrival from Bihar which is expected in the third week of April. Sources revealed that forward contract has been made in the beginning of March month for the Bihar crop at the rate of Rs. 1320 per quintal for May delivery.

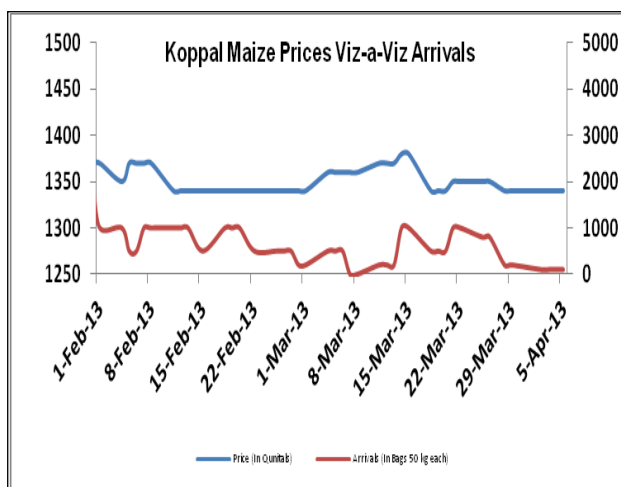
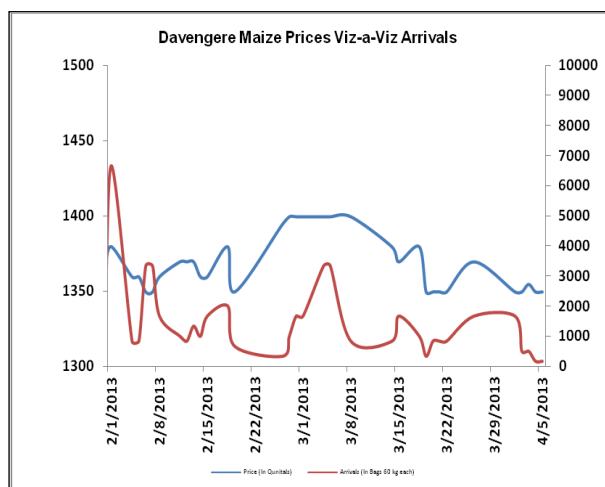
ANDHRA PRADESH

In the Nizamabad region of A.P., maize new crop arrival has started. However, demand for new crop is lower at this time due to high moisture level i.e. around 16%. Around 25,000 tons of carry forward stock of maize would be in the Nizamabad market of maize.

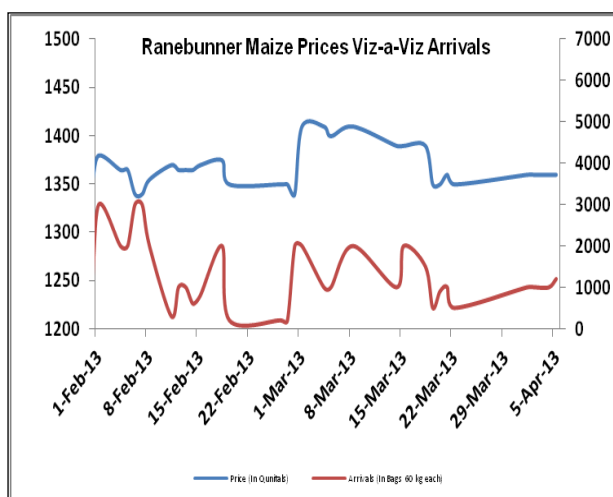
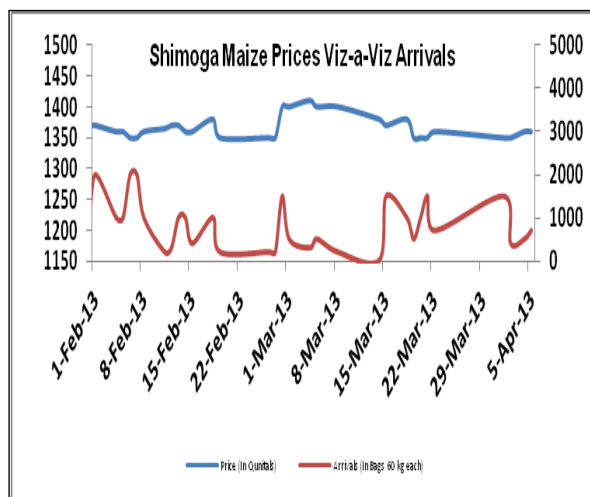


KARNATAKA

As per trade a source, maize is not moving towards Chennai and Mangalore at this time. In Karnataka, maize stock would be around 1 lakh tons which is little bit lower from last year.

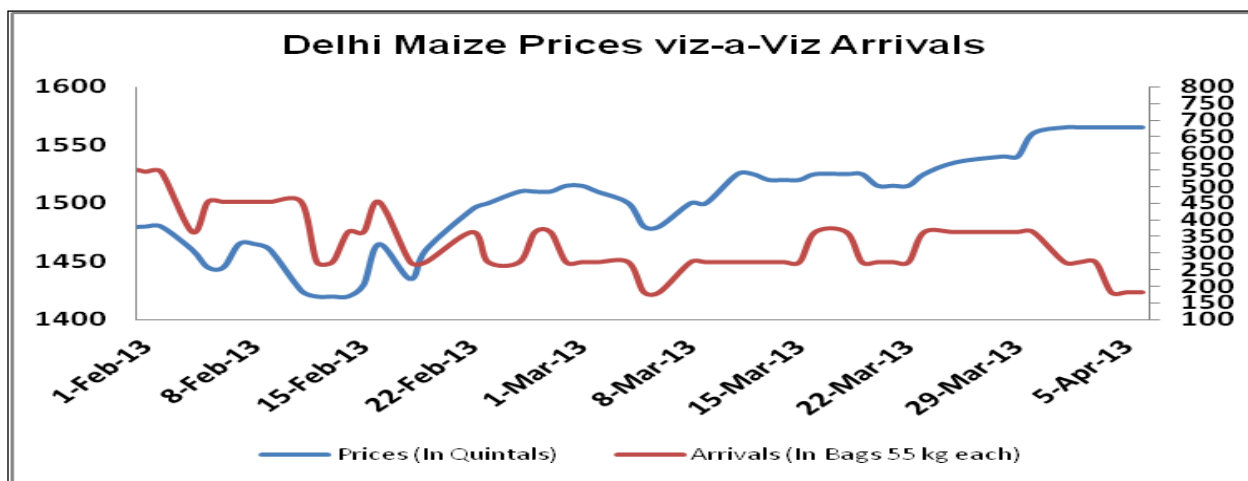


April, 2013



DELHI

Traders are expecting that prices could go down due to lower demand. New crop arrival in the near term could also weigh on the prices. As per trade sources, around 50,000 quintal of maize could be in the Delhi spot market.



Month-wise Average prices of Maize at various markets					
Market	2013-March	2013-Feb	2012-March	% Change from Prev. Month	% Change from Prev. Year
Delhi (U.P origin)	1560	1515	-	2.97	-
Naugachia	-	-	-	-	-
Davangere	1370	1400	1125	-2.14	21.78
Koppal	1340	1340	1160	0.00	15.52
Shimoga	1350	1400	-	-3.57	-
Ranebennur	1360	1340	-	1.49	-
Bagalkot	1260	1312	-	-3.96	-
Gadag	1311	1279	-	2.50	-
Hubli	1351	1295	-	4.32	-
Nizamabad	1350	1310	1190	3.05	13.45
Karimnagar	1281	-	-	-	-
Khammam	-	-	-	-	-
khanna	1510	1450	-	4.14	-
Ludhiana	-	1460	-	-	-
Salem	-	-	-	-	-
Sangli	1395	1403	-	-0.57	-

PRICE OUTLOOK:

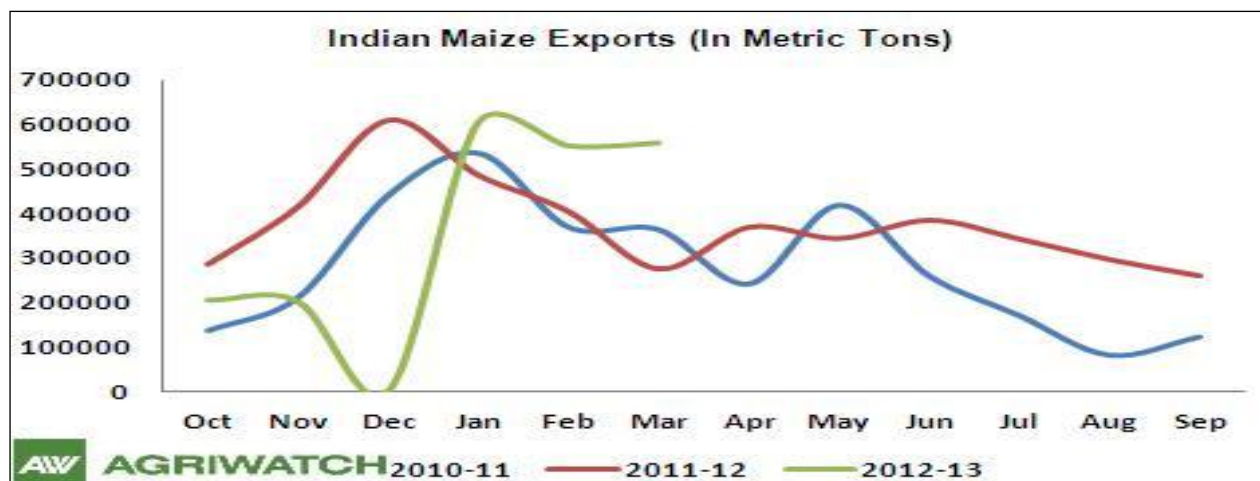
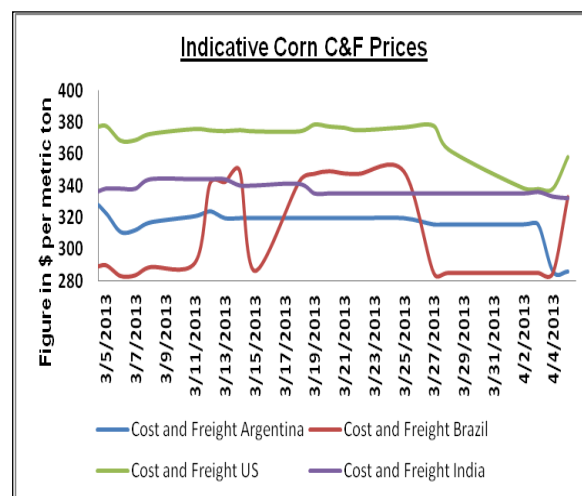
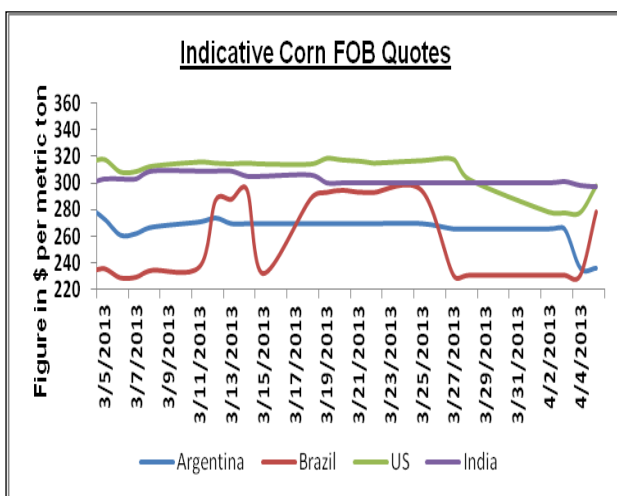
Indian corn prices are likely to trade weak on the expectation of new crop arrival pressure in the near term.

ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$332) decreased by \$ 3.00 per ton during the week compared to the last week. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$358), Brazil C&F (~\$333.1) and getting stiff competition from Argentina Maize C&F prices (~\$286.32).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 54.88)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	236.32	278.1	298	297
Incl Cost and Freight (C&F)	286.32	333.1	358	332

April, 2013



As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 2.12 million tons during the October- March period. During March month, 0.559 million tons corn exports reported to Indonesia, Vietnam, Malaysia, China, Taiwan, Singapore through JNPT Sea, Tondiarpet ICD, Chennai Sea, Tuticorin Sea, Krishnapatnam Sea port.

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


- Candlestick chart pattern reveals that prices could move in a range in the near term.
- 1198 seems like a strong resistance level.
- **Strategy:** Sell on rally and target would be 1135.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1111	1135	1180	1198	1237

INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. corn export figures reached to 11214313 metric tons for the 2012-13 marketing year which is lowered by ~53% from the last marketing year during the same period. Corn exports were up by 47 percent to 565900 metric tons from the previous week and 43% from the prior 4-week average. Out of total weekly exports of 565900 MT reported by U.S to Japan (216,700 MT), China (109,000 MT), Mexico (104,100 MT), Venezuela (55,000 MT), and Taiwan (20,300 MT).



As per the latest IGC report, the 2012-13 world corn production is estimated at 850 million tons, unchanged from the February month estimate. Despite china's bumper harvest and huge potential for Argentina and Brazil crop, global output is forecast to fall by 3% y/y in 2012/13 due to drought in the U.S and parts of the EU. However, assuming normal weather, production is projected to rebound sharply in 2013/14, with U.S output is increasing by as much as 30% y/y. Led by sharp increase in the US, exporter stocks are projected to recover to an eight-year high in 2013/14 from the 16-year low in 2012/13. While quotation in Argentina drifted lower on seasonal pressure, U.S and Black sea prices were up on tightening spot supplies.

IGC Global Corn Estimate					
	2011-12 E	2012-13(forecast)			
		21st Feb	21st Mar	% change MOM	% change YOY
Production	877	850	850	0.00%	-3.18%
Trade	97	94	94	0.00%	-3.19%
Consumption	877	867	867	0.00%	-1.15%
Carryover Stock	131	114	114	0.00%	-14.91%
YOY change	0		-17		

- Figures in million tons

INTERNATIONAL CORN HIGHLIGHTS

- As per Reuter news, Informa Economics raised its production forecasts for Brazil's corn crop in 2012/13 by 71.6 million to 71.95 million tons. Informa raised its forecast for China's 2013/14 corn production by 8 million tons to 213 million tons, from the previous estimates.

As per Reuter news, European Traders told about below mentioned deals prevailed during the one month period:-

- South Korea's largest feedmaker Nonghyup Feed Inc. purchased 139,000 tons of corn through tender, likely to be sourced from South America. 69,000 tons of corn bought from Cargill for arrival by Aug. 15 comprising 45,000 tons bought at the flat price of \$280.30 a ton c&f and 24,000 ton at the c&f basis price of 86.00 cents a bushel over the Chicago July corn contract. A further 70,000 tons of corn was bought from CJ International for arrival by Aug. 25 comprising 45,000 tons bought at the flat price of \$281.84 a ton c&f and 25,000 tons at the c&f basis price of 88.40 cents a bushel over the Chicago July corn contract.
- South Korea's MFG purchased 65,000 tons of corn at \$282.29 a ton c&f for arrival by Aug. 30. Meanwhile, Feed Leaders Committee (FLC) purchased 65,000 tons of corn at \$282.78 a ton c&f for the arrival by Aug. 25, likely to be sourced from South America. The seller was said to be Noble for both.
- The Taiwan Sugar Corp. purchased 23,000 tons of U.S.-origin corn at the flat price of \$332 a ton c&f free out Kaohsiung. Shipment was Apr. 22 to May 6 from the U.S. Gulf or May 7-21 from the U.S. Pacific North West coast.
- South Korea's Major Feedmill Group (MFG) purchased 68,000 tons of corn is likely to be sourced from South America in a directly-negotiated deal at \$310.90 a ton c&f for June shipment and the seller was said to be Toepfer. The seller has the option to select the origin but traders said they believed South America would be the source.
- Taiwan's MFIG group purchased 60,000 tons of corn to be sourced from Argentina in a snap tender. Seller was said to be Glencore and shipment is around May 1-15.
- As per preliminary Japanese government data, Japan's use of corn in animal feed production fell to 42.2 % in the January month from 45.1% during the same month last year due to higher U.S. corn prices.

ARGENTINA

- As per Reuter News, The Agriculture Minister of Argentina has released a statement that estimated the Argentina corn production at 27 million tons vs. the current USDA estimate of 26.50 million tons. Meanwhile, Informa Economics raised its production forecasts for Argentina' corn production by 25 million to 25.3 million tons from the previous estimates. Lanworth raised its estimates of Argentine corn production to 25.5 million tons from 24.9 million. However, Rosario grains exchange said, Argentina's 2012/13 corn harvest is likely to be slightly lower at 25.3 million tons versus a previous forecast for 25.5 million tons.

U.S

All Units In '000 MT	2009/2010	2010/2011	2011/2012	2012/2013 (Feb)	2012/2013 (Mar)	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	273,832	273,832	0.00%	-12.78%
TY Imports	237	684	765	2,500	3,000	20.00%	292.16%
Total Availability	375,290	360,229	343,358	301,454	301,954	0.17%	-12.06%
TY Exports	49,721	45,244	38,430	24,000	22,500	6.25%	-41.45%
Total Consumption	281,590	285,014	279,023	262,571	265,111	0.97%	-4.99%
Total Usage	331,311	330,258	317,453	286,571	287,611	0.36%	-9.40%
Ending Stocks	43,380	28,644	25,122	16,062	16,062	0.00%	-36.06%
Average Monthly consumption	23465.83	23751.17	23251.92	21880.92	22092.58	0.97%	-4.99%
Stocks in months to use	1.85	1.21	1.08	0.73	0.73	0.96%	-32.71%
Stock/Consumption Ratio	0.15	0.10	0.09	0.06	0.06	0.96%	-32.71%

• Source: USDA

- As per Reuter News, Crop forecaster Lanworth expects the U.S. corn acreage of 96.5 million acres in 2013-14 seasons, down 1 per cent from a year earlier. Lanworth also reduced its U.S. corn production outlook to 13.640 billion bushels from 13.700 billion. Research firm Allendale Inc has estimated that US farmers will sow 96.956 million acres of corn this season, slightly less than the 97.255 million acres that were planted last year.

OUTLOOK:

During the month, increase in wheat usage in feeding rations and demand for wheat from some ethanol makers weighed on corn prices to the some extend. At present, Corn prices are decreasing by the higher pace on CBOT by following release of bearish U.S. corn stocks data by the USDA and concern over bird flu in China.

Maize CBOT Monthly Futures Price Listing (Cents/bushel)				
	Contract Month	28.03.2013	28.02.2013	Change
Corn CBOT Prices	13-May	552.91	571.61	-18.70
	13-Jul	545.33	564.91	-19.58
	13-Aug	530.08	547.79	-17.71
	13-Sep	505.78	518.27	-12.50
	13-Nov	492.59	495.74	-3.15

CBOT MAIZE MONTHLY CHART: MAY 2013 CONTRACT



- Candlestick chart pattern reveals bearish sentiment in the market.
- 571 U.S cents/ bushels seems like a strong support level.
- Strategy: Sell at 640 U.S cents / bushels and target would be 617 U.S cents/ bushels.

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