

EXECUTIVE SUMMARY:

Overall firm sentiments witnessed in most of the major spot markets of maize during last month. Lower supplies from the Bihar kept corn prices at higher side. Meanwhile, depleting stock amid higher poultry feed makers' demand also support the firmness in the market. In Bihar, due to wet weather conditions, crop contains around 16% moisture levels.

In Ahmadabad region of Gujarat, poultry and starch feed makers demand reported steady as compared to last month, sourced from Bihar. Poultry feed makers demand reported for corn in a range of Rs. 1250-1475 per quintal while starch feed makers demand reported in a range of Rs. 1330-1500 per quintal during the month of May. In Punjab, traders are expecting that maize could trade firm in the near term due to higher poultry feed makers demand.

INDIA MAIZE BALANCE SHEET

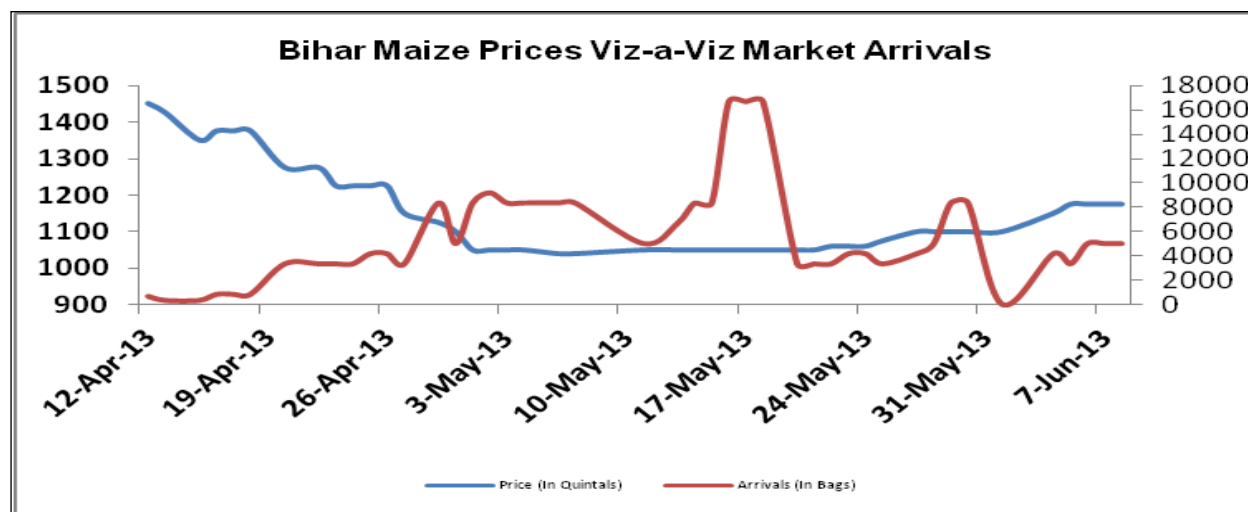
				2012-13 Quarterly BS			
	2010-11	2011-12	2012-13*E	Oct-Dec'12	Jan-Mar'13 E	Apr-Jun'13 F	July-Sep 13 F
Opening Stocks	0.481	1.131	1.041	1.041	1.691	0.569	0.549
Production	21.73	21.60	19.500	11.200	2.800	4.400	1.100
Farmer's Release	15.21 1	15.12 0	10.700	3.210	3.210	2.675	1.605
Govt. Procurement	0.051	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	22.74	22.91	20.541	6.222	7.239	6.174	3.715
Export	3.100	4.800	4.026	0.406	1.720	1.500	0.400
Domestic Consumption	18.00	16.90	16.500	4.125	4.950	4.125	3.300
Carry Out	1.131	1.041	0.015	1.691	0.569	0.549	0.015

- *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

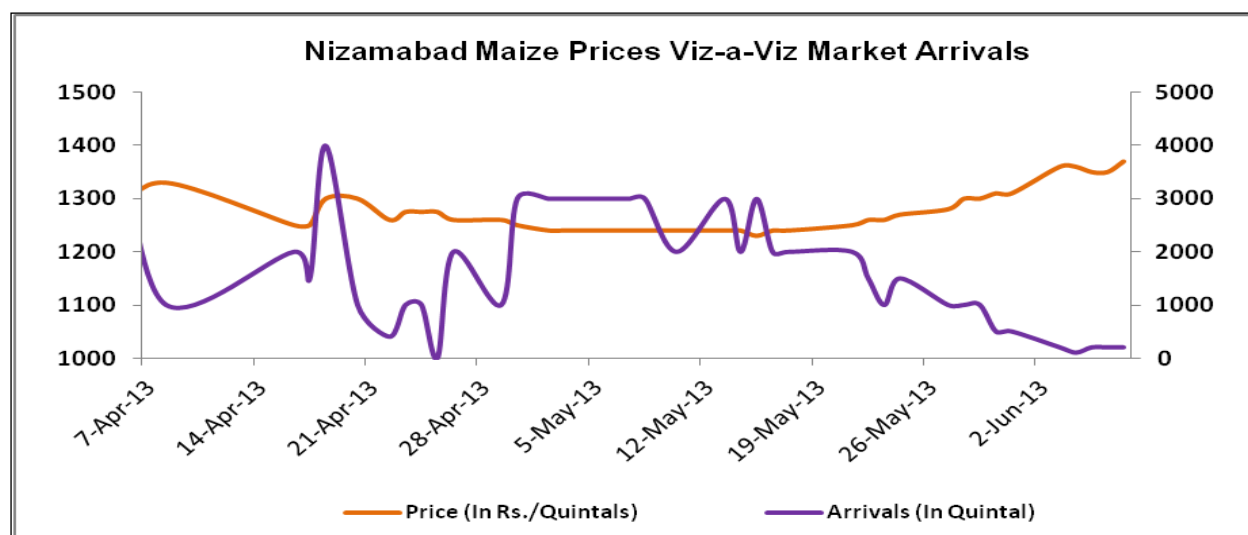
BIHAR

In Bihar, due to wet weather conditions, arrivals were reported lower and kept the maize prices at higher side. Meanwhile, fresh export enquiries also support the firmness in the market. Maize is moving towards Khanna market of Punjab at Rs. 1350 per quintal, Kolkata at Rs. 1400 per quintal, Delhi at Rs. 1425 per quintal and Gujarat at Rs. 1450 per quintal sourced from Bihar.



ANDHRA PRADESH

In Nizamabad spot market, maize traded firm due to lower crop arrivals amid higher local feed makers demand from the mid of May month. As per trade sources, around 3.5- 4 lakh bags of maize (old & new) could be in the A.P. spot market and maize could trade firm further due to higher demand.



DELHI

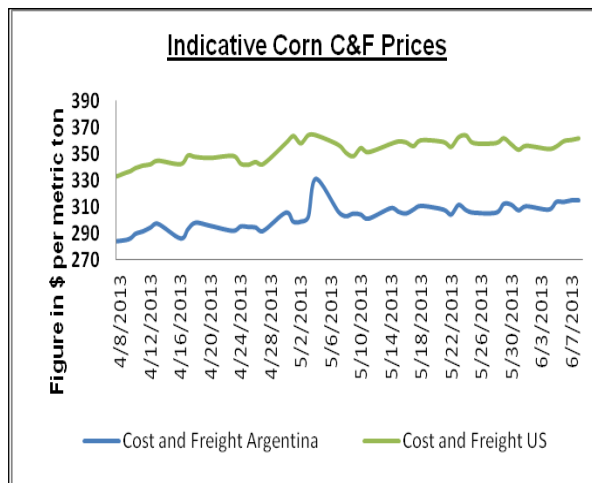
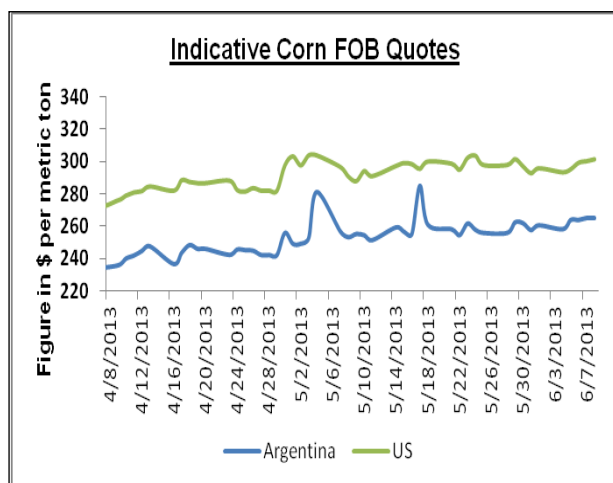
In Delhi spot market, maize traded higher due to lower crop supply from Bihar as it was moving towards Punjab. Also, increase in freight charges and lower availability of transport facility in Naugachia region of Bihar as they prefer to load lichi instead of maize kept corn prices at higher side.

Month-wise Average prices of Maize at various markets					
Market	2013-May	2013-April	2012- May	% Change from Prev. Month	% Change from Prev. Year
Delhi (Bihar origin)	1425	1380	1090	3.26	30.73
Naugachia	1100	1100	875	-	25.72
Davangere	1410	1363	1125	3.45	25.34
Shimoga	1350	1340	1040	0.75	29.81
Ranebennur	-	-	-	-	-
Bagalkot	1235	1220	-	1.23	-
Gadag	-	1282	1010	-	-
Hubli	-	1252	1041	-	-
Nizamabad	1310	1250	1100	4.8	19.09
Karimnagar	1255	1240	1051	1.21	19.41
Khammam	-	-	1030	-	-
khanna	1350	1500	-	-10	-
Ludhiana	-	-	1200	-	-
Sangli	1458	1365	1178	6.82	23.77

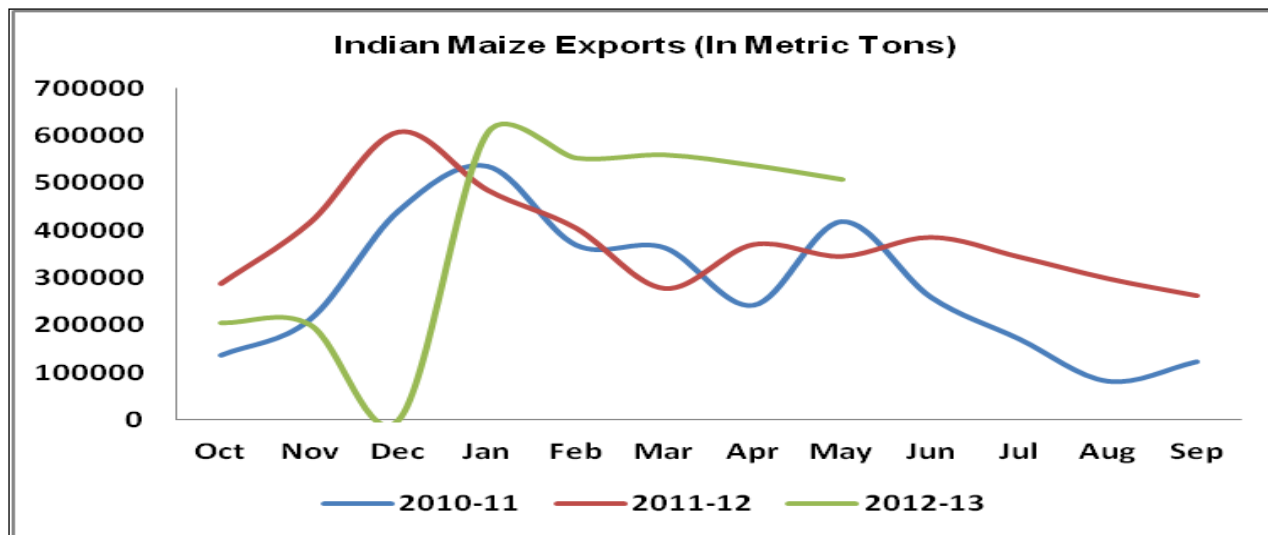
PRICE OUTLOOK:

Fresh export enquiries amid lower stock could support the firmness in maize spot markets. However, weather conditions could be the major price determine factor for the near term.

ON THE EXPORT FRONT:



As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 3.168 million tons during the October- May period. During the month of May, 0.507 million tons corn exports reported to Malaysia, Vietnam, Taiwan, Nepal, Yemen and China through Tondiarpet ICD, JNPT, Chennai Sea, Raxul LCS and Mundra port.



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

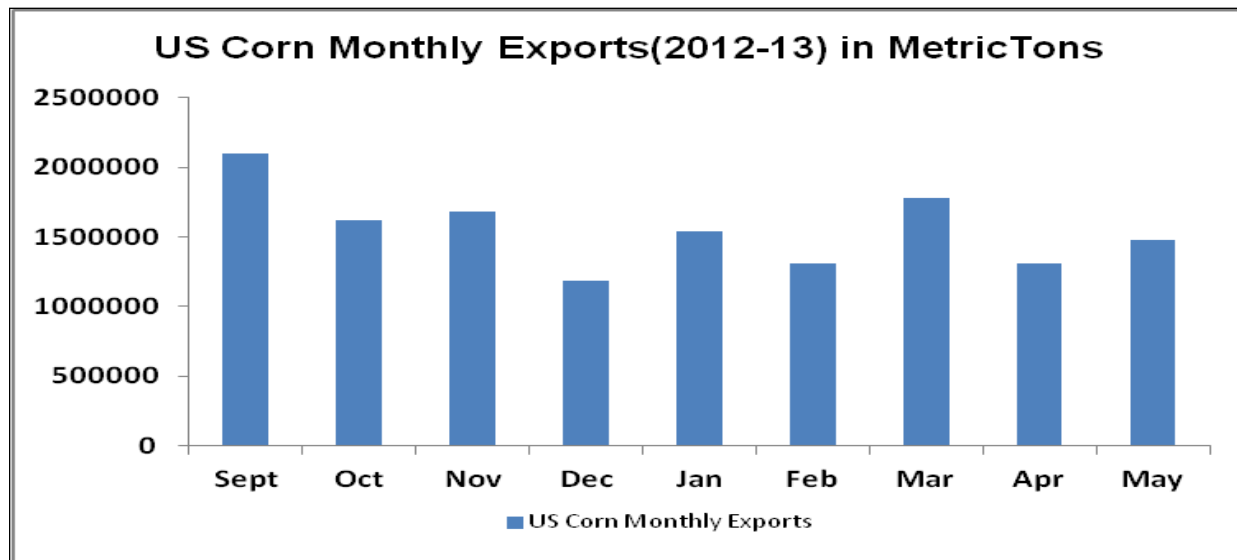

- Candlestick chart pattern reveals that prices could go down in the market.
- RSI is moving down in neutral zone indicates to bearish sentiment.
- However, prices closed above 9 and 18 days EMAs indicates to bullishness in the market.
- Strategy: Sell on rise and target would be 1346 for the near term.

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

Support & Resistance				
S2	S1	PCP	R1	R2
1258	1328	1388	1466	1532

INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. corn export figures reached to 13996587 metric tons for the 2012-13 marketing year which is lowered by ~54% from the last marketing year during the same period. However, Corn exports were up by 1 percent to 359800 metric tons from the last week and 29% from the prior 4-week average. Out of total weekly exports of 359,800 MT for the period of May 24-30, 2013 reported by U.S to Japan (202,700 MT), Mexico (107,300 MT), Venezuela (20,000 MT), and Jamaica (18,500 MT).



As per the latest IGC report, the 2013-14 world corn production is forecasted at 945 million tons, up by 6 million ton from the April forecast. Despite record South American crops and a drop in overall consumption, closing stocks at the end of 2012/13 will be very tight, especially among the leading exporters. World output is forecast to rebound by 10% in 2013/14; with gains in feed and industrial use, demand is set to rise by 6%. Carryovers in 2013/14 will be much more comfortable compared to the previous year, especially in the US, where stocks are expected to more than double.

IGC Global Corn Estimate					
	2012-13 E	2013-14(forecast)			
		25th Apr	31st May	% change MOM	% change YOY
Production	856	939	945	0.64%	10.40%
Trade	95	98	98	0.00%	3.16%
Consumption	865	912	917	0.55%	6.01%
Carryover Stock	122	143	149	4.20%	22.13%
YOY change	-9		27		

- Figures in million tons

INTERNATIONAL CORN HIGHLIGHTS

- As per Reuter news, The EU raised its outlook for Maize by 900,000 tons to 66.2 million tons from the previous estimate and 7.9 million tons above 2012.
- As per Reuter news, the Agriculture Ministry said that the area under maize rose slightly to 4.8 million hectares from 4.7 million during last year.
- As per Reuter news, preliminary Japanese government data shows that Japan's use of corn in animal feed production fell to 42.2 % in the March'13 from 44.3% during the same month last year due to higher U.S. corn prices. Japanese buyers have turned to cheaper Brazilian corn and Brazil's share of Japan's corn imports topped the United States for a third month in a row in March, rising to 50.2 percent from just 0.1 percent in March 2012.
- As per Reuter news, France AgriMer said, The EU has cleared 85,000 tons of maize exports this week, bringing this year's total at 1.4 million tons, versus 2.7 million a year ago. The EU also granted import licenses for 187,000 tons of maize, bringing the total so far this season at 9.85 million tons, compared to 4.9 million tons during same period of last year.
- As per Reuter news, despite the higher production estimates, it is expected that China's corn imports in 2013/14 would rise to 5 million tons, up from an estimate of 2.7 million for the current year, fuelled by a delay in planting and robust domestic consumption. China's corn harvest is estimated to rise 2.8 percent to 214 million tons in 2013/2014, while annual domestic demand is expected to grow by an even faster 5.2 percent to 212.63 million, the think-tank said.
- Ukraine's Agriculture Ministry has revised its forecasts for the 2013 maize sown area to 4.73 million hectares from 4.46 million previously on acreage shift from barley.

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

- As per Reuter news, European traders told that Iran's state grains buyer GTC has purchased around 60,000 tons of corn for shipment in the first half of June to be sourced from the Black Sea region. Traders said Ukraine was the most likely Black Sea origin.
- As per Reuter news, European Traders told that South Korea's Korea Corn Processing Industry Association purchased 50,000 tons of corn from Noble at \$300.00 a ton c&f including surcharges for unloading at a second additional port, for arrival by Sep. 30.
- As per Reuter news, European Trader told that Taiwan Sugar Corp. has rejected all offers and made no purchase in a tender for 23,000 tons of U.S.-origin corn for the shipment between July 14 -28 from the U.S. Gulf or between July 29-Aug.12 from the U.S. Pacific North West coast due to high prices.
- As per Reuter news, European Trader told that South Korea's largest feedmaker Nonghyup Feed Inc. (NOFI) has purchased 68,000 tons of corn from ADM for arrival by Oct. 20 at the c&f basis price of 141 cents a bushel over the Chicago December corn contract. The corn was likely to be sourced optionally from the United States or South America.
- As per Reuter news, European Trader told that Taiwan's MFIG corn purchasing group has purchased 60,000 tons of corn to be sourced from Brazil for the shipment in August 1-15 in a tender for the same volume which closed on Friday. Some 5,000 tons was bought at the outright price of \$283.50 a ton c&f and 55,000 tons at the basis price of 159.90 cents a bushel c&f over the Chicago September corn contract. Seller was said to be Bunge.
- As per Reuter news, the Agriculture Department told that Private exporters has reported the sale of 540,000 tons of U.S. corn to China and to unknown destinations for delivery in the new marketing year, beginning from Sept 1. The sales included 360,000 tons for China and 180,000 tons to the unidentified buyer.

June 05, 2013

- As per Reuter news, European Traders told that a buyer in Oman has purchased about 10,000 tons of corn of Argentine origin at the price about \$295 a ton c&f for the shipment in the first half of June.
- As per Reuter news, a trader told that China's state buyer may have booked at least five U.S. cargoes for September and October new-crop shipments of corn on Tuesday. That followed at least two cargoes booked by Chinese buyers a day earlier.
- As per Reuter news, industry sources based in Buenos Aires told that a record 2 million tons of South American corn is being sent to the United States this season to compensate for last year's weak harvest. The United States bought about 1.5 million ton of corn from South America between September 2012 and February 2013, mainly Brazilian corn. In the second half of the corn year, between March and August, the United States will buy 500,000 to 600,000 tons, mainly from Argentina. Eighty percent of this volume has been closed but not executed yet.
- As per Reuters' news, traders have reported that two South Korean feed making groups have purchased a total of 138,000 tons of corn for September arrival. The Feed Leaders Committee (FLC) bought 68,000 tons of optional-origin corn at \$277.49 per ton on a C&F basis and Major Feedmill Group (MFG) has bought 70,000 tons of corn, likely to be sourced from South America, at \$278.99 a ton C&F.
- As per Reuters' news, European traders have reported that Korea Feed Association (KFA) has bought 69,000 tons of corn in an international tender likely to be sourced from South America for shipment between July 29 and Aug 17.

ARGENTINA & BRAZIL

- As per Reuter news, The Government of Argentina held its outlook for 2012/13 corn production at 25.7 million tons.
 - As per Reuter news, Agricultural ministry of Brazil raised its estimate for the country's total corn output to 78.5 million tons.
 - As per WASDE report, Brazilian corn production will likely decline to 72 million tons while the trade was looking for an increase to 74.70 million tons. Argentina production was pegged at 27 million tons, up from 26.50 previously.
 - According to Brazil's Agriculture Ministry, Brazil has approved the purchase of up to 3 million tons of local corn this year to build public stocks as the country is expected to harvest about 78 million tons this year.
 - Brazil's 2012-13 corn crop is expected to finish harvesting in the coming months and output expected is about 78.0 million tons, up from CONAB's April forecast of 77.45 million tons.
 - FCStone and IMEA have forecasted that the second of Brazil's two corn crops would yield 40.6 million tons, taking Brazil's total 2012-13 corn output of 76.88 million tons.
 - Lanworth has raised its estimate of Brazil's 2012-13 corn production from 77.1 million tons to 78.5 million tons due to heavy rains in key production areas in April.
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U.S

All Units In '000 MT	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Y-O-Y Change
Beginning Stocks	42,504	43,380	28,644	25,122	19,288	-23.22%
Production	332,549	316,165	313,949	273,832	359,173	31.17%
TY Imports	237	684	765	3,000	650	-78.33%
Total Availability	375,290	360,229	343,358	301,954	379,111	25.55%
TY Exports	49,721	45,244	38,430	19,500	33,000	69.23%
Total Consumption	281,590	285,014	279,023	263,790	295,162	11.89%
Total Usage	331,311	330,258	317,453	283,290	328,162	15.84%
Ending Stocks	43,380	28,644	25,122	19,288	50,912	163.96%
Average Monthly consumption	23465.83	23751.17	23251.92	21982.50	24596.83	11.89%
Stocks in months to use	1.85	1.21	1.08	0.88	2.07	135.90%
Stock/Consumption Ratio	0.15	0.10	0.09	0.07	0.17	135.90%

• Source: USDA

- As per Reuter News, Informa Economics projected U.S. 2013 corn plantings at 96.827 million acres, below the USDA' current estimate of 97.3 million. However, Informa forecast the U.S. 2013 average corn yield at 160.9 bushels per acre (bpa), above the USDA's current forecast for 158 bpa, and put corn production at 14.398 billion bushels, above the USDA's forecast of 14.14 billion.
- As per the latest crop progress report released by USDA, the corn crop has been planted 95% as of 9th June, 2013 in the corn growing regions of U.S., higher by 4 % from the last week but below 5% from the last year and 3% from the last 5 year average period. Meanwhile, Corn has emerged 85% as of 9th June, 2013 which is also higher by 11% from the last week but below 14% from the last year and 7% from the last 5 year average period. 63% crop is in good to excellent condition which is below 3% as compared to last year.
- As per the latest WASDE report released by USDA, corn production for 2013-14 is projected at 14.1 billion bushels, up 3.4 billion from 2012-13. Further, U.S. corn exports for 2013/14 are projected 550 million bushels higher at 1.3 billion bushels.

OUTLOOK:

During the month, Corn prices on CBOT market increased due to weather concerns in US especially in Iowa region. Flood like conditions occurred in the region as reported.

Maize CBOT Monthly Futures Price Listing (Cents/bushel)				
	Contract Month	30.05.2013	30.04.2013	Change
Corn CBOT Prices	Jul-13	654.25	650.00	4.25
	Sep-13	591.75	580.25	11.20
	Dec-13	562.75	556.75	+6
	Mar-14	572.75	567.00	5.75
	May-14	579.5	-	-

CBOT MAIZE MONTHLY CHART: DEC 2013 CONTRACT



- Candlestick chart pattern reveals that prices could go down in the market.
- Strategy: Sell at rally and target would be 537 U.S cents/bushels.

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