

EXECUTIVE SUMMARY:

Mixed sentiments witnessed in most of the major spot markets of maize during last month as in some areas, new crop arrivals are weighing on market sentiments and on the other hand, maize prices are getting support due to higher feed makers demand amid lower supply.

In a month ahead, we expect that despite the new crop arrival pressure, maize prices could trade steady on quality concern. Meanwhile, procurement by government agencies and continuous domestic feed makers demand could also support to maize prices.

During last week, in Karnataka, FCI has opened its procurement and procured near 6000 quintal of maize at MSP of Rs. 1310/quintal, sourced from Koppal. Procurement by FCI is good for maize prices but FCI is not buying higher quantity of maize due to quality issue.

As per news sources, due to cyclone Phailin, some crop has damaged in the eastern states like Orissa and some parts of A.P. but only time will tell about the damage to the maize crop in these areas.

In Maharashtra, new crop arrivals have started but contain high moisture level. Sources revealed that quality maize crop arrivals are expected in the mid of November.

During the month of October, in the Khanna market of Punjab, the maize was quoted down by Rs. 20 per quintals in a range of Rs. 1450-1480 per quintal as compared to last month. Around 7 motors reported on daily basis, contained 14-15% moisture. Sources revealed that maize stock could be around 150 motors in the market, sourced from Bihar and U.P.

Meanwhile, in Ahmadabad region of Gujarat, poultry feed makers demand also reported down by Rs. 150 a quintal for corn in a range of Rs. 1280-1600 per quintal and starch feed makers demand reported down by Rs. 25 per quintal as compared to last month, in a range of Rs. 1250-1500 per quintal, contained around 14-22% moisture, sourced from Maharashtra.

We expect that lower crop quality arrivals in a month ahead could lead to firmness in poultry prices. However, starch prices could be steady amid need based demand and proper supply in the market.

Kharif Production Estimates for 2013-14	
Area Planted (MHA)	8224.8
Area Harvested (MHA)	7343.2
Production (MMT)	15.8
Yield (MT/HA)	2.151

INDIA MAIZE BALANCE SHEET

					2013-14 Quarterly B/S	
	2010-11	2011-12	2012-13*E	2013-14F	Oct-Dec'13 F	Jan-Mar'14 F
Opening Stocks	0.48	0.99	1.20	0.15	0.15	4.88
Production	21.73	21.57	20.00	21.80	12.64	3.16
Farmer's Release	15.21	15.12	11.87	15.05	7.72	3.31
Govt. Procurement	0.05	0.02	0.01	0.25	0.10	0.03
Pvt Trade Release	15.16	15.10	11.86	14.80	3.82	7.09
Seed Retention			0.22	0.30	0.05	0.00
Imports	0.02	0.01	0.01	0.01	0.00	0.00
Total Supply	22.23	22.57	21.21	21.96	12.79	8.04
Export	3.34	4.47	4.76	4.40	0.90	1.50
Domestic Consumption	17.90	16.90	16.30	16.70	7.01	4.68
Carry Out	0.99	1.20	0.15	0.86	4.88	1.86

- *E= AW Estimates, F=AW Forecast*
- *All figures in million tons*
- *The seed has consumed 0.25 MN T IN OCT-DEC'13 AND 0.05 MN T IN APR-JUN'14 Quarter.*

MAIZE KHARIF SOWING UPDATE:

As per sowing report by Ministry of agriculture, maize sowing has increased from last year owing to good rainfall in the maize growing regions. Farmers have planted maize in 82.248 lakh hectares as of 2nd October, 2013 against 74.901 lakh hectares sown in 2012-13. We expect that yield would be reduced to 2.151 mt/ha due to Phalin and last rain in South. By considering the above facts, Agriwatch expect production of maize at 15.8 million tons during kharif for 2013-14.

November 05, 2013

State-wise Area Coverage of Maize as of 2nd Oct'13

(Area in
Lakh ha)

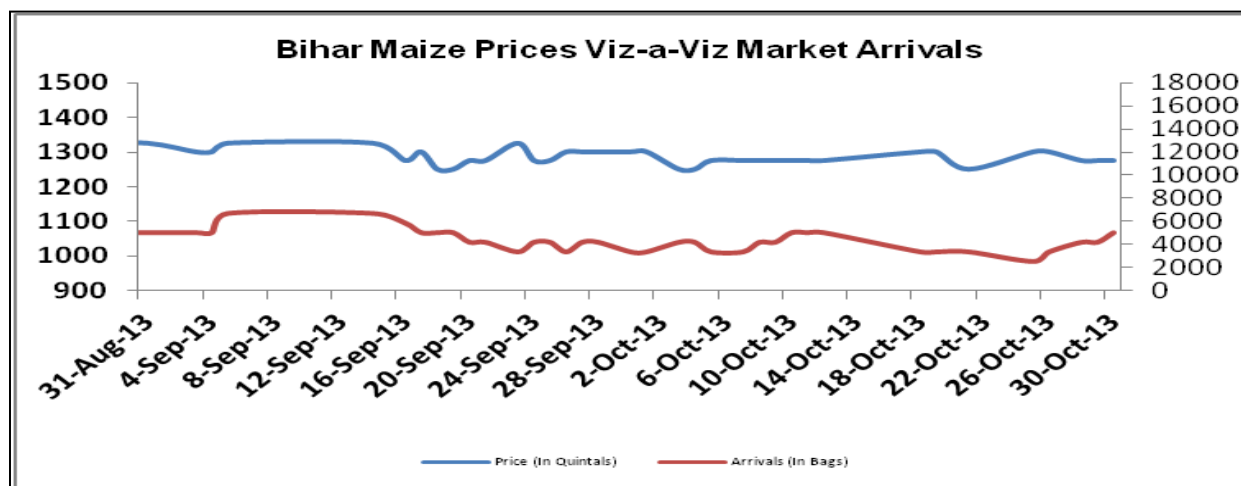
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1	Assam	0.19	0.13	0.19	0.10	0.15	0.14	0.06	0.09	0.04	0.05
2	Bihar	2.46	3.20	4.67	4.02	3.16	3.07	1.47	0.65	1.51	1.60
3	Jharkhand	1.98	2.08	2.56	2.50	2.34	1.97	0.48	0.06	0.22	0.59
4	West Bengal	0.35	0.50	0.45	0.43	0.57	0.56	-0.05	0.02	-0.12	-0.11
	Others	1.46	1.59	1.44	1.82	1.78	1.78	-0.15	-0.38	-0.34	-0.35

STATE - WISE MARKET DYNAMICS

BIHAR

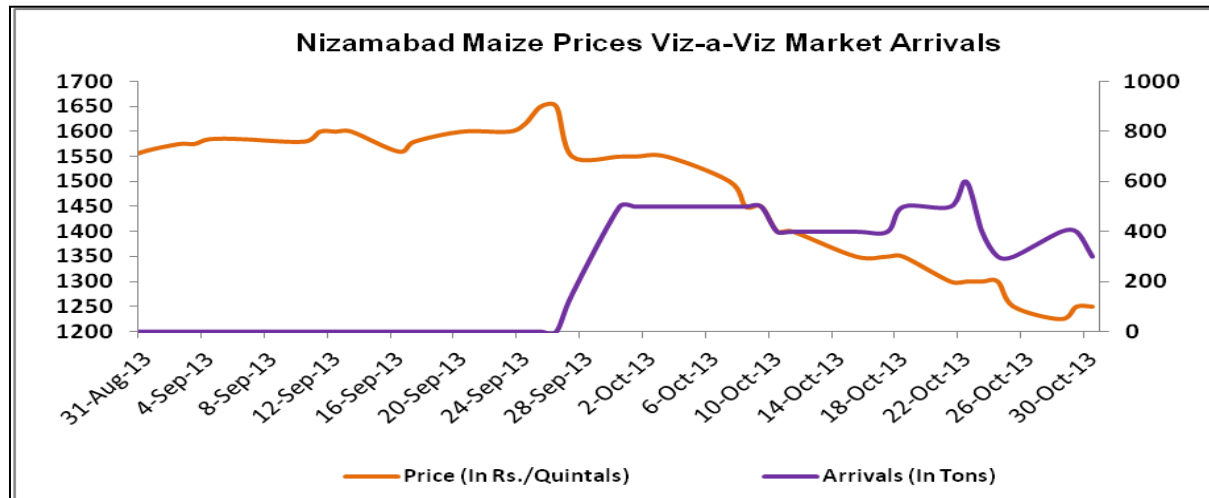
During the month, continuous demand of starch feed makers support the prices of maize. We expect that bihar market could trade under pressure as maize sowing has started in the Bihar for the rabi season. Also, carry forward stock that could be around 20% of produced, also weigh on the market sentiments.



ANDHRA PRADESH

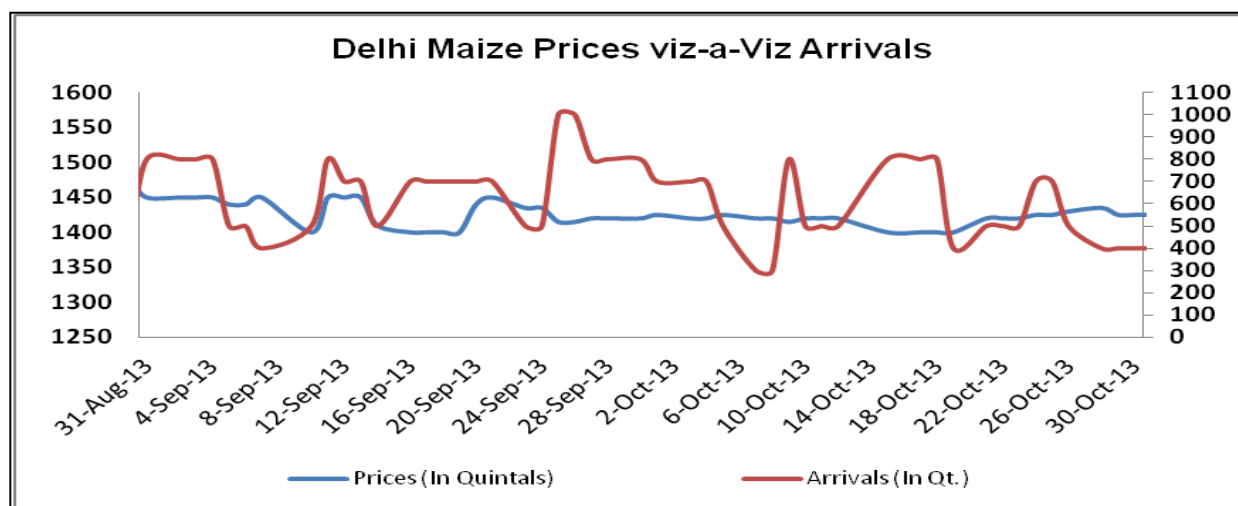
In A.P., new crop arrivals of maize have started contains 14-17% moisture. As per trade sources, maize crop could be damaged around 30% due to higher rainfall.

Sources revealed that Jadcherla market in Mahbubnagar district of A.P. is getting huge buying order from across the Tamil Nadu and supporting the prices of maize. Around 50 rakes of maize have been booked for future shipments.



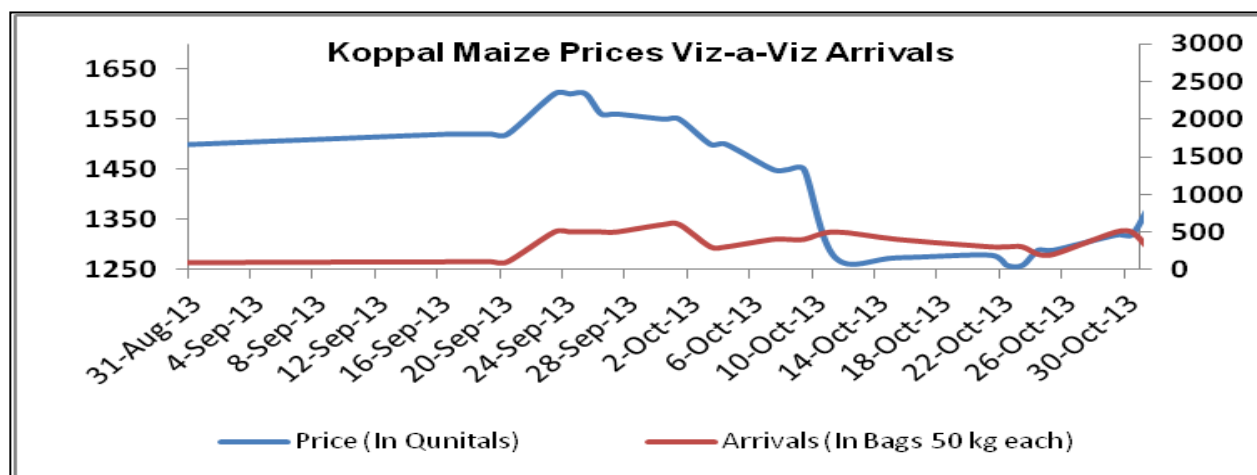
DELHI

During the month of October, hybrid maize traded down by Rs. 15 per quintal, in a range of Rs. 1400-1435 per quintal, sourced from U.P. Sources revealed that prices could trade steady to firm in the near term amid higher feed makers demand.



KARNATAKA

In Davengere, maize crop contain 14-22% moisture, local demand quoted at Rs. 1360 per quintal. Some crop damage reported due to rainfall. Also, fungus is also affecting the crop quality.

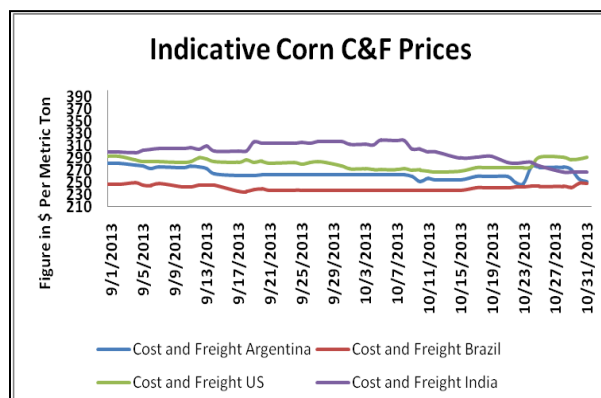
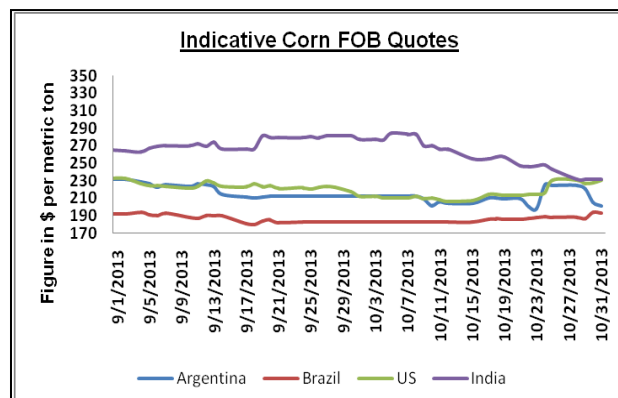


Month-wise Average prices of Maize at various markets					
Market	2013-Oct.	2013-Sep.	2012-Oct.	% Change from Pre. Month	% Change from Pre. Year
Delhi (U.P. Origin)	1425	1420	1380	0.35	3.26
Naugachia	1275	1300	-	-1.92	-
Davangere	1370	1700	1350	-19.41	1.48
Shimoga	1440	1460	1300	-1.37	10.8
Bagalkot	1215	1575	-	-22.86	-
Gadag	1186	-	-	-	-
Nizamabad	1250	1550	1275	-19.35	-1.96
khanna	1450	1480	1410	-2.03	2.84
Ludhiana	1500	1425	1425	5.26	5.26
Sangli	1350	1750	1380	-22.86	-2.17
Gulabgh	1420	1356	-	4.72	-

PRICE OUTLOOK:

Despite the new crop arrival pressure, maize prices could trade steady on quality concern. Procurement by government agencies and continuous domestic feed makers demand could also support to Maize prices.

ON THE EXPORT FRONT:



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 61.41)				
	Argentina	Brazil	US	India
FOB	201.38	193	230.92	231
Cost and Freight (C&F)	251.38	248	290.92	266

During the month of October, Kolkata feed millers demand reported steady in a range of Rs.1400-1500 per quintal, sourced from Bihar. We expect that export could be lower than last year on the concern over lower crop quality arrivals.

As per IBIS data, During the month of September'13, 0.062 million tons corn exports reported to Malaysia, Nepal, Singapore, Bahrain and Bangladesh through Tondiarpet ICD, Mundra Sea, Chennai Sea, Raxul LCS, Vizag Sea, Kolkata Sea and JNPT port.

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



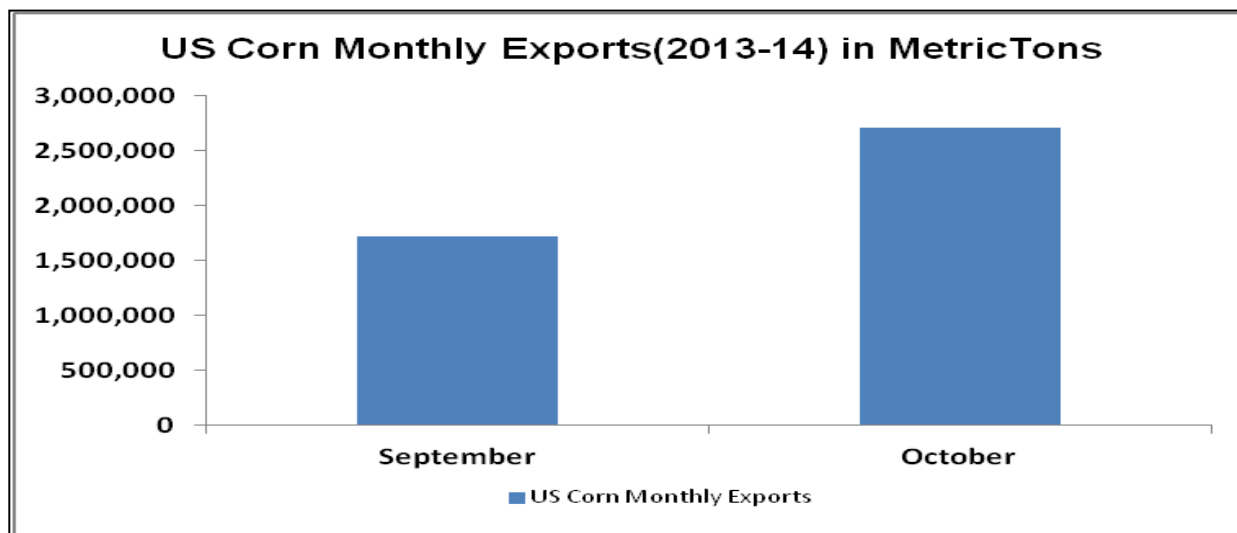
- Candlestick chart pattern reveals that prices could trade down in the market.
- RSI is moving down in neutral zone support to bearishness.
- Prices closed below 9 and 18 days EMAs also indicates to bearishness.
- Strategy: Sell at around 1258 and target would be 1235 for the near term.

MAIZE NCDEX (DECEMBER MONTHLY) (IN RS/QL)

Support & Resistance				
S2	S1	PCP	R1	R2
1200	1220	1256	1281	1319

INTERNATIONAL MARKET SCENARIO:

As per USDA, U.S. accumulated corn export figures reached to 44,27,744 metric tons for the 2013-14 marketing year which is higher by ~19% from the last marketing year during the same period. Exports of 20,94,386 MT were reported by U.S. to Mexico (708,300 MT), China (677,900 MT), Japan (255,600 MT), Colombia (123,300 MT), and Saudi Arabia (68,200 MT) for the period October 18- October 24, 2013.



As per the latest IGC report, the 2013-14 world corn production is forecasted at record 948 million tons, up by 5 million tons from the previous month forecast and higher by 85 million tons from the last year. Amid generally strong demand for animal feed, maize consumption is expected to rise by ~6%, and trade is also set to expand by ~6% y/y to a new record. Carryover stocks are seen recovering to a 13-year high at 152 million tons.

IGC Global Corn Estimate					
	2012-13 E	2013-14(forecast)			
		26th Sep	31st Oct	% change MOM	% change YOY
Production	863	943	948	0.53%	9.85%
Trade	96	100	102	2.00%	6.25%
Consumption	868	917	922	0.55%	6.22%
Carryover Stock	126	148	152	2.70%	20.63%
YOY change	-5		26		

- Figures in million tons

INTERNATIONAL CORN HIGHLIGHTS

- As per Reuter, Lanworth raised world corn production forecast to 955 million tons from its previous forecast of 952 million tons due to bigger-than-expected yield reports from the ongoing harvest in the U.S. Midwest for 2013/14. Lanworth predicted a corn crop of U.S. at 13.792 billion bushels, based on an average yield of 156.2 bushels per acre.
- As per Reuter, Argentina's government estimated corn area at 5.7 million hectares and expect that corn production would be around 30 million tons for 2013/14. The rains helped reactivate the planting of corn in various productive regions. However, USDA expected grains powerhouse Argentina to produce 26 million tons of corn. Through Thursday, farmers had planted 25 percent of the surface area slated for corn in the 2013/14 season, 6 percentage points higher than last week, but 14 percentage points lower than last year.
- As per the latest crop progress report released by USDA as on 28th October, 2013, 98% crop of corn has matured, below 2% from the last year but higher by 1% from the last 5 year average period. 59% crop of corn has harvested, below 32% from the last year. 62% corn crop is in good to excellent condition, higher by 2% from the previous week.
- Informa Economics lowered its forecasts for corn planted acreage in the USA in 2014 by 1 million acres to 91.7 Mln. Acres.
- As per Reuter, corn imports of china reduced to 1.52 million tons in 2013, down 36.73% year on year. In June 2013, the total import value of corn products in China witnessed 74% month-on-month decrease while the export value decreased by 5%.
- As per Reuter news, Brazil's government crop supply agency Conab estimated corn crop production between 78.4 million tons and 79.6 million tons for 2013/14 and 81.3 million tons for 2012/13.

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

- As per Reuter, European traders told that Taiwan's MFIG corn purchasing group has purchased 60,000 tons of corn from Columbia Grain in a combination of the outright price of \$247.46 a ton c&f for just over 7,000 tons with the rest bought at the basis price of 174.58 cents c&f a bushel over the Chicago March corn contract, for shipment in the last half of December from the U.S. Gulf Coast or South America or in the first half of January from the U.S. Pacific Northwest. Meanwhile, The Korea Corn Processing Industry Association has purchased 55,000 tons of corn from Cargill at \$254.70 a ton c&f for Feb. 20, 2014, arrival through private deal on Wednesday after earlier rejecting all offers in an international tender for the same volume. However, South Korea's largest animal feed maker Nonghyup Feed Inc. (NOFI) rejected all offers and made no purchase in an international tender to buy up to 140,000 tons of corn due to high prices. The lowest price offered for U.S.-origin corn was \$251.00 a ton c&f, lowest offer from South America was \$248.73 a ton c&f and lowest offer from the Black Sea region was \$245.58 a ton c&f. The corn had been sought for arrival two separate consignments by Mar. 15 and Mar. 25, 2014.
- As per Reuter, a group of Israeli private buyers purchased at least 80,000 tons of corn in a combination of prices, some for shipment between Dec. 25, 2013, and Jan. 15, 2014, was bought at the flat price of \$216 a ton c&f. The rest of the corn was bought a

November 05, 2013

premium of 88 cents a bushel c&f over the Chicago March corn contract for shipment between Jan. 20 to Feb. 10, 2014, likely to be sourced from the Black Sea region.

- As per Reuter, China bought five cargoes of corn, equivalent to about 300,000 tons, this week from the United States for shipment from March to May 2014 at about \$260 per ton, or about 1,900 yuan (\$310) per ton after taxes, due to lower U.S. corn prices. This purchase was in addition of 7 cargoes purchased last week by a private trading company.
- As per Reuter news, a private Chinese trading firm bought a total of 420,000 tons of corn in the first week of October at a price of \$205 FOB (per ton) from the United States for delivery next year in order to take advantage of cheap U.S. prices. As per executive, including freight, the corn for shipment from May to July 2014, which involves a total of seven cargoes, would cost around 1,800 yuan (\$290) per ton when it arrives in China.

OUTLOOK:

Corn prices on CBOT market could decrease on active harvesting of a likely record large U.S. corn crop.

Maize CBOT Monthly Futures Price Listing (USD/MT)				
	Contract Month	31.10.2013	30.09.2013	Change
Corn CBOT Prices	Dec-13	168.56	173.77	-5.21
	Mar-14	172.89	178.89	-6.00
	May-14	176.14	181.94	-5.80
	Jul-14	178.79	-	-

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