

EXECUTIVE SUMMARY

Steady to firm sentiments witnessed in most of the major spot markets of maize during last week. As per Agriwatch trade sources, around 287 rake business has been reported during this season. On daily basis, around 10-12 rake business have been reported from Bihar towards Punjab, Haryana and U.P. However, at this time, stockiest are not buying maize due to higher moisture content in the maize crop.

As per trade sources, in Gujarat also, stockiest are not buying maize in higher quantity on the expectation of decrease in prices as crop quality of maize from Bihar is not good. In Nizamabad region of A.P., around 3.5- 4 lakh bags of maize (old & new) could be in the market and prices could trade firm due to higher local feed makers demand. However, In Delhi spot market, sources revealed that prices could go down in the near term only as crop from U.P. has started. In Khanna market of Punjab, sources revealed that stock of maize could be around 400-500 motors in the market and market could trade steady in the near term.

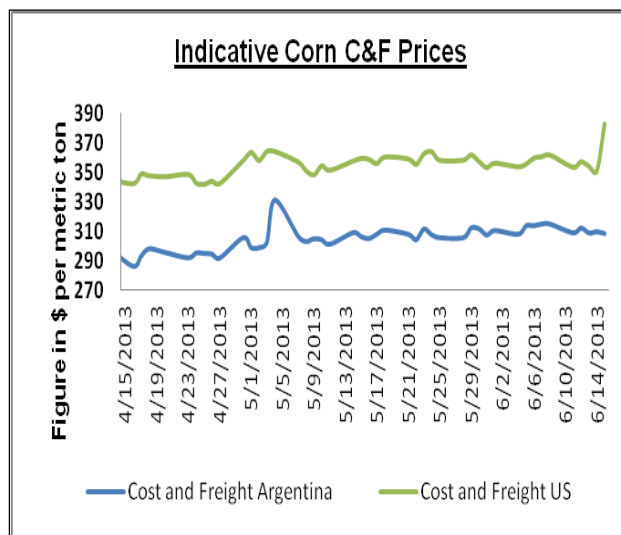
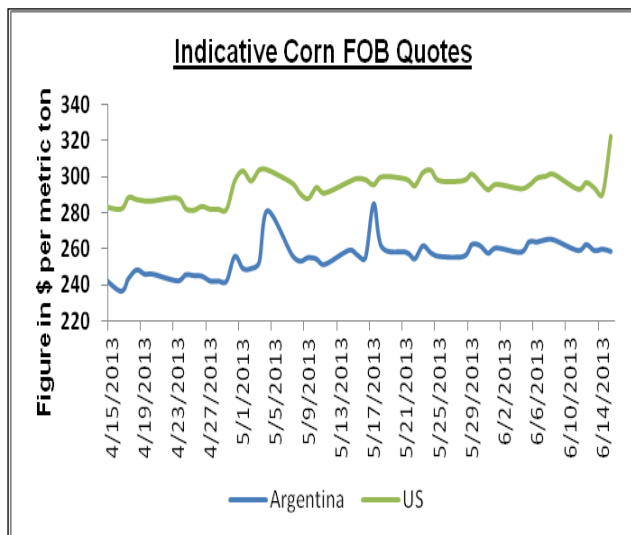
As per Reuter news, extensive rains since the beginning of May in Bihar have disrupted around 500,000 tons of corn shipments that traders have sold to feed millers in Southeast Asia. Further, rains across India's eastern crop belt are holding up shipments of corn, tightening feed grain supplies in Vietnam, Indonesia and Malaysia. A Singapore trader said that there are eight to 10 ships waiting to carry some 250,000 tons of corn at the southeastern port of Visakhapatnam, adding that trading houses were trying to arrange supplies from alternative origins but getting cargoes from South America is not easy because of the huge line of ships.

In Ahmadabad region of Gujarat, poultry and starch feed makers demand reported up by Rs. 50 and Rs. 20 per quintal respectively as compared to last week, sourced from Bihar. Poultry feed makers demand reported for corn in a range of Rs. 1450-1510 per quintal while starch feed makers demand reported in a range of Rs. 1475-1550 per quintal. Gujarat trader revealed that corn from Rajasthan is not coming in to the Ahmadabad market of Gujarat as it is moving towards Haryana.

On daily basis, around 5-6 motors (1 motor= 250 tons) of maize moving towards Khanna market of Punjab at the rate of Rs. 1400 per quintal, sourced from Bihar.

ON THE EXPORT FRONT:

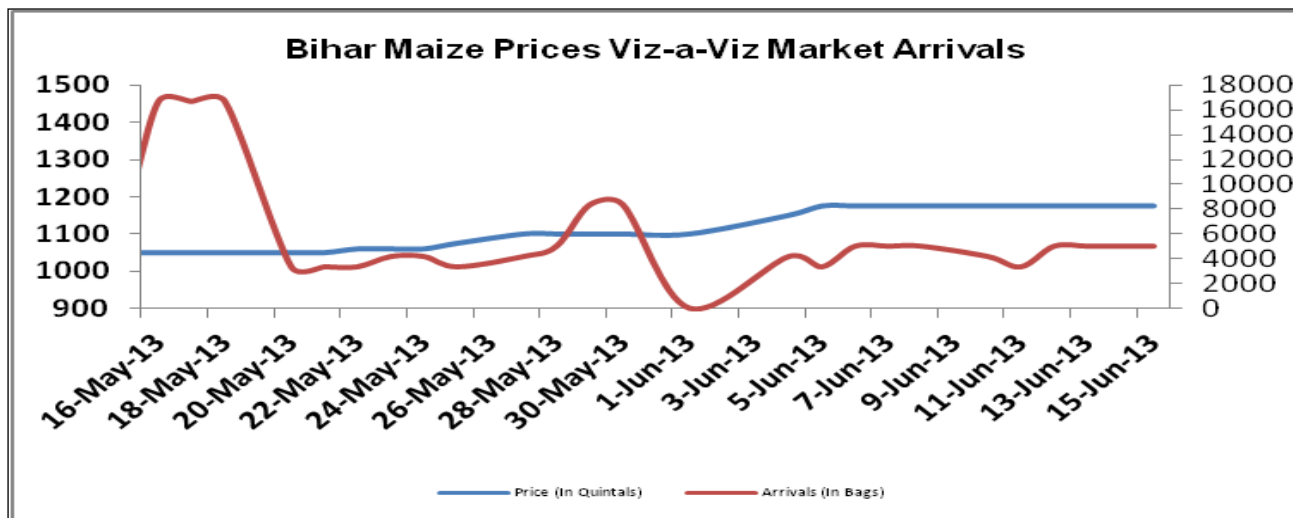
As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 3.168 million tons during the October- May period. During May month, 0.507 million tons corn exports reported to Malaysia, Vietnam, Taiwan, Nepal, Yemen and China through Tondiarpet ICD, JNPT, Chennai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



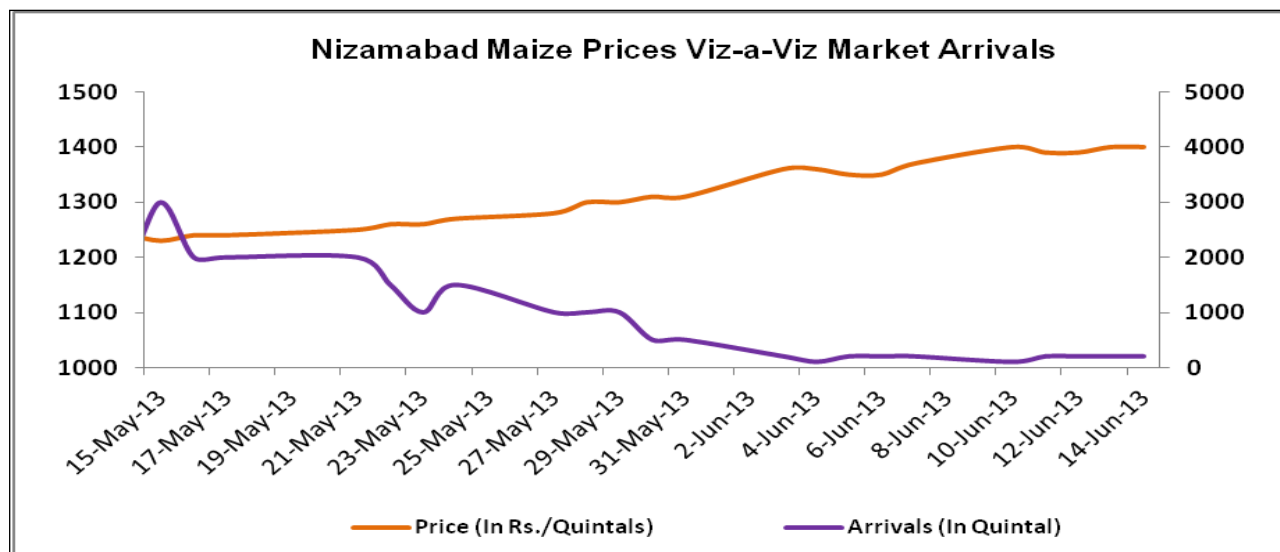
CURRENT MARKET DYNAMICS:

During the week, steady to firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics were as under:

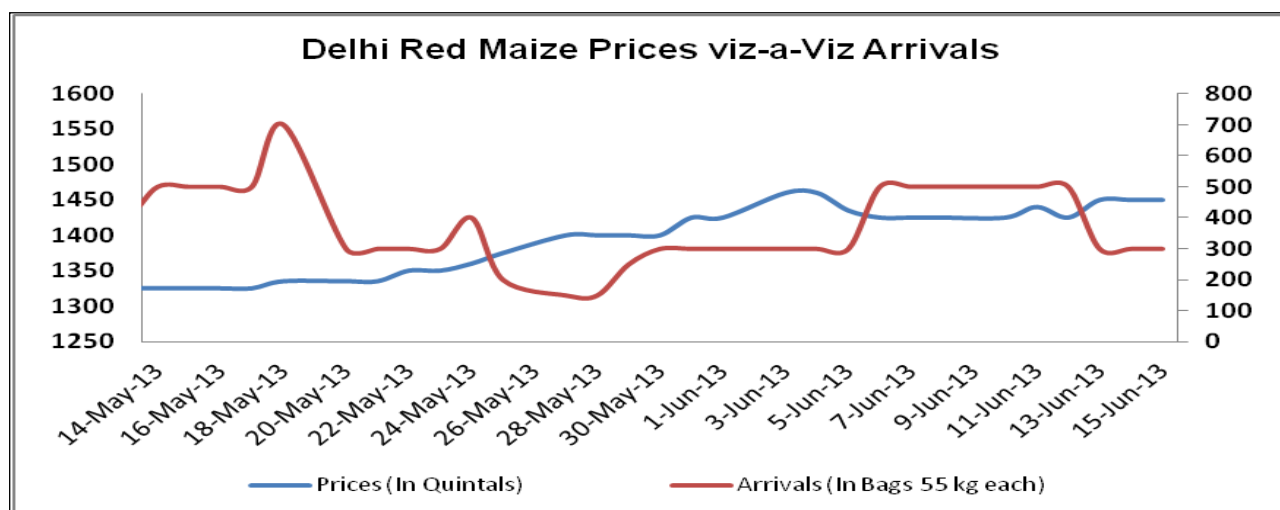
Bihar: On daily basis, around 10-12 rake business have been reported from Bihar towards Punjab, Haryana and U.P. However, at this time, stockiest are not buying maize due to higher moisture content in the maize crop. On the other hand, supply is lower in the market as farmers are not bringing their produce on the expectation of increase in prices of maize in the near term. As per Reuter news, most of the supply from Bihar is going to the starch industry as it is not appropriate for exports because of the high moisture content.



Andhra Pradesh: In Nizamabad spot market, maize traded firm due to lower crop arrivals amid higher local feed makers demand during last week. Sources revealed that around 3.5- 4 lakh bags of maize (old & new) could be in the market and prices could trade firm due to higher local feed makers demand.



Delhi: In Delhi spot market, sources revealed that prices could go down in the near term as crop from U.P. has started; trading at Rs. 1400 per quintal. Stock of maize could be around 20,000 quintal in the market.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkatta	14250 (Bihar Origin)	
Delhi	14500 (Bihar Origin)	
Delhi	14250 (U.P. Origin)	
Punjab(Khanna)	14000 (Bihar Origin)	
Gujarat	15000 (Bihar Origin)	

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

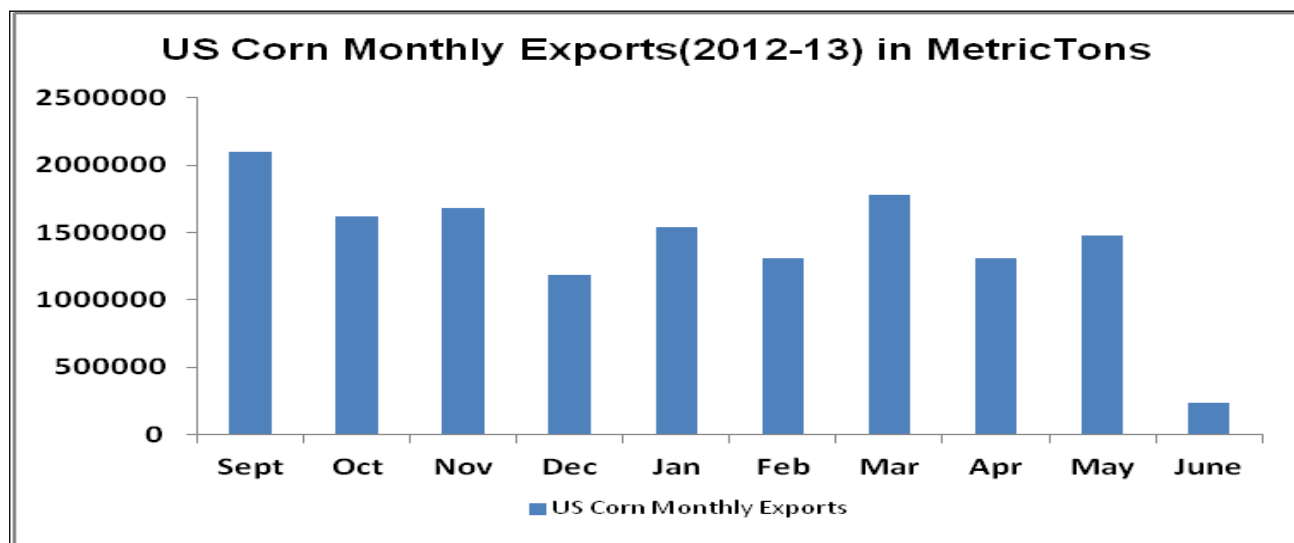
Market	Grade	14 June,2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1420	-	1400	-	990
	Red	1450	1425	1325	-	1035
Davangere	Bilty	1455	1440	1300	-	1150
Shimoga	Bilty	1360	1350	1340	-	-
Ranebennur	Bilty	-	-	-	-	-
Bagalkot	Hybrid/Local	-	1403	-	-	-
Gadag	Local	-	1321	1241	-	-
Hubli	Local	-	-	-	-	-
Naugachia	Bilty	1175	1175	1050	-	850
Nizamabad	Bilty	1400	1370	1240	-	1050
Karimnagar	Local	-	1270	1185	-	-
Khammam	Local	-	-	-	-	-
khanna	Bilty	1400	1390	1350	-	-
Ludhiana	Bilty	1410	-	-	-	-
Sangli	Bilty	1571	1536	1380	-	1270
Ahmedabad	Feed	1490	1450	1280	-	1160
	Starch	1550	1525	1330	-	1170

DOMESTIC MAIZE OUTLOOK:

Depleting stock and thin supply from Bihar keeps prices at the upper side. However, expectation of higher sowing during kharif season and lower crop quality of Bihar could restrain the gain in the near term.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

As per USDA, U.S. corn export figures reached to 14,229,370 metric tons for the 2012-13 marketing year which is lowered by ~54% from the last marketing year during the same period. Corn exports were down by 35 percent to 232,800 metric tons from the last week and 27% from the prior 4-week average. Out of total weekly exports of 2,32,800 MT for the period of May 31- June 6, 2013 reported by U.S to Japan (80,800 MT), Mexico (78,000 MT), Venezuela (51,500 MT), and Trinidad (7,700 MT).



Some other major International Corn Highlights during the week are:

- USDA projected lower corn ending stocks for 2013/14 by 55 million bushels to 1949 million bushels as compared to last month but still the largest in eight years and more than 8 percent larger than the 1.8 billion as traders expected.
- As per Reuter news, trader told on Wednesday that corn exports from grain powerhouse Argentina may be delayed next week as farmers go on a five-day strike to protest the government's policies.
- As per Reuter news, an official think-tank told on Thursday that China had stockpiled about 30.8 million tons of corn from farmers by end-May after Beijing extended a stockpiling program by a month.
- As per Reuter news, European traders told that South Korea's Major Feedmill Group has purchased some 69,000 tons for Oct. 10/Oct. 20 arrival from Cargill at \$277.34 a ton c&f on

the basis of a premium of 163.79 cents over the Chicago December corn contract. A further 65,000 tons for Oct. 20 arrival at \$275.40 a ton c&f on the basis of a premium of 158.86 cents over the Chicago December corn contract.

- As per Reuter news, European traders told that Taiwan Sugar Corp has issued a tender to buy 23,000 tons of U.S. corn for shipment in the last half of June from the Gulf Coast or the first half of August from the Pacific Northwest. The tender deadline is June 18.
- As per Reuter news, traders told that South Korea's Feed Leaders Committee bought 62,000 tons corn for October arrival likely to be sourced from South America at \$274.90 per ton on a cost and freight basis plus \$1.50 for the option of unloading at a second port. The FLC bought the corn from Peter Cremer and the product should arrive by October 25.
- 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.

INTERNATIONAL MAIZE OUTLOOK:

Corn prices on CBOT could trade down on the forecast of favorable weather in maize growing belts of U.S.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	13.6.2013	6.6.2013	Change
Corn CBOT Prices	Jul-13	253.28	261.06	-7.78
	Sep-13	224.55	227.50	-2.95
	Dec-13	210.67	215.79	-5.12
	Mar-14	215.10	219.92	-4.82
	May-14	218.05	222.78	-4.73

CBOT CORN FUTURES OUTLOOK:



(CBOT Corn Chart: Dec Contract)

- Candlestick chart pattern reveals that prices could go down in the market.
- Strategy: Markets participants should sell CBOT corn around 527 U.S cents/bushels and the target would be 519 U.S cents/bushels.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(July Contract Weekly Chart)

- Candlestick formation reveals that prices could trade in a range of Rs. 1357-1399.
- Increase in prices with lower volumes and OI indicates to weak market.
- However, prices closed above 9 and 18 days EMAs indicates to bullishness in the market.
- **Strategy:** Buy near 1357 level and target would be 1399 for the near term.

Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1260	1307	1363	1404	1455

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