

EXECUTIVE SUMMARY

Overall steady to slightly firm sentiments witnessed in most of the major spot markets of maize during last week.

In Nizamabad region of A.P., around 4- 4.5 lakh bags of maize (old & new) could be in the hand of stockiest and farmers. Sources revealed that prices could trade firm till the new crop arrivals which would arrive in the September month.

In Delhi spot market, price variance is due to moisture level which varies from 14-20 %. Bihar crop contained around 14-20% moisture while U.P. and Ludhiana crop contained around 14-15% moisture and crop from A.P. contained 11.5 % moisture.

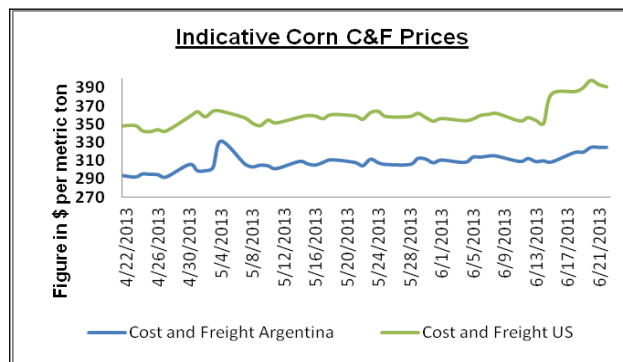
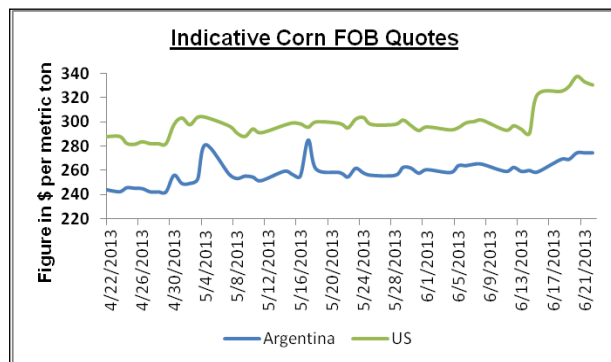
In Ahmadabad region of Gujarat, poultry feed makers demand reported up by Rs. 60 per quintal as compared to last week, sourced from Bihar. Poultry feed makers demand reported for corn in a range of Rs. 1490-1570 per quintal while starch feed makers demand reported steady in a range of Rs. 1500-1550 per quintal. Trade sources revealed that local crop is arriving higher in the market as compared to Bihar crop due to wet weather conditions. Gujarat trader also 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 4-5 motors (1 motor= 250 tons) of maize moving towards Khanna market of Punjab at the rate of Rs. 1500 per quintal due to higher poultry feed makers demand, 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.

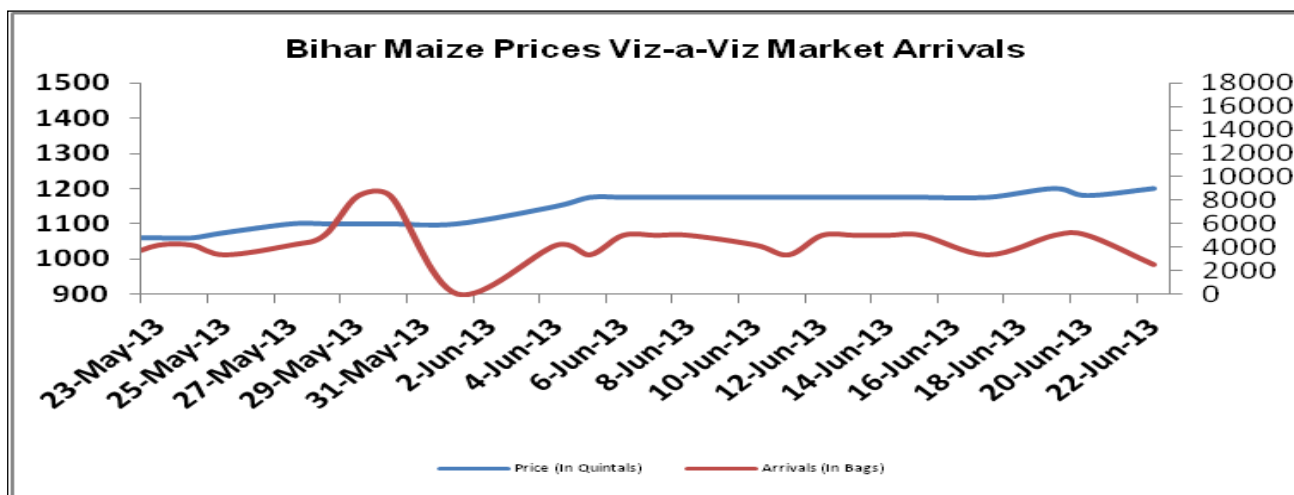
As per Agriwatch trade sources, Bangladesh is demanding Indian corn at Rs. 1425 per quintal, sourced from Bihar which contained around 15%.



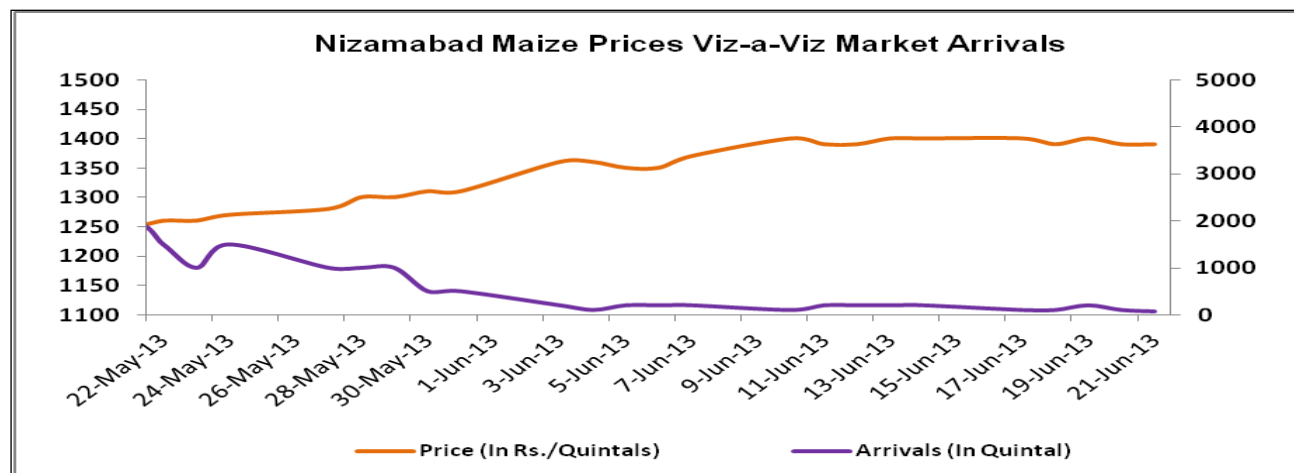
CURRENT MARKET DYNAMICS:

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

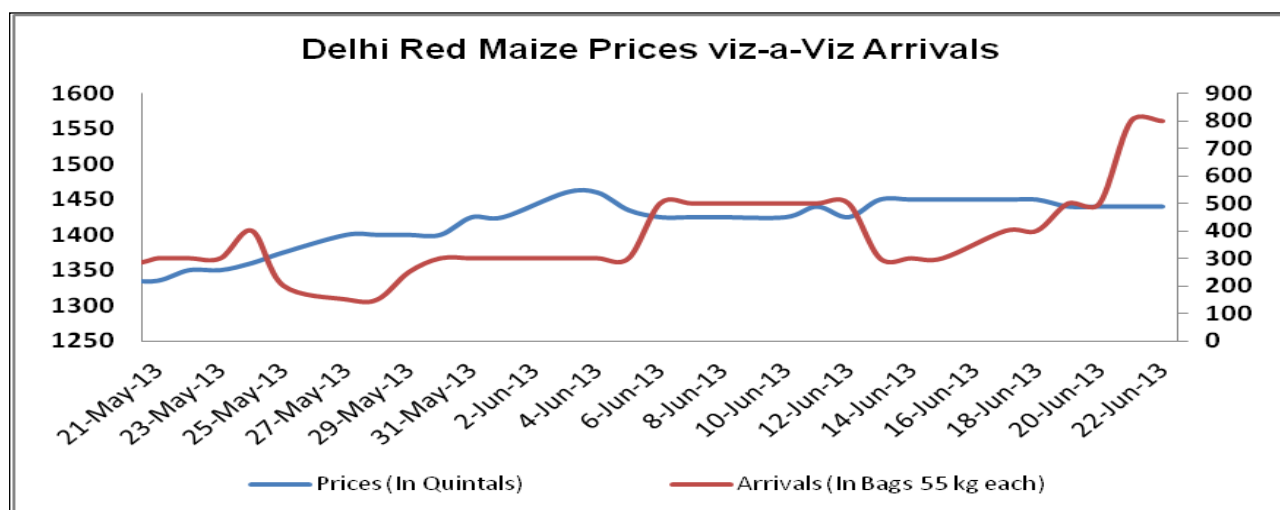
Bihar: Lower supply amid higher domestic demand kept prices of maize firm in the market. However, last week, crop quality was not as per standard due to high moisture contained but it has improved now and some new export enquiries reported from Bangladesh which could support maize prices.



Andhra Pradesh: In Nizamabad region of A.P., around 4- 4.5 lakh bags of maize (old & new) could be in the hand of stockiest and farmers. Sources revealed that prices could trade firm till the new crop arrivals which would arrive in the September month. Around 11.5 % moisture reported in the crop of A.P.



Delhi: During the week, red maize traded in range of Rs. 1360-1450 per quintal sourced from Bihar. Price variance is due to moisture level which varies from 14-20 %. Meanwhile, hybrid maize traded in a range of Rs.1410-1425 per quintal sourced from U.P. contains 14% moisture level. Sources revealed that prices could go down in the near term as new crop arrivals from U.P. will pick up in the near term.



BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)
Kolkatta	14500 (Bihar Origin)	
Bangladesh		14250 (Bihar Origin)
Delhi	14400 (Bihar Origin)	
Delhi	14150 (U.P. Origin)	
Punjab(Khanna)	15000 (Bihar Origin)	
Gujarat	15700 (Bihar Origin)	

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

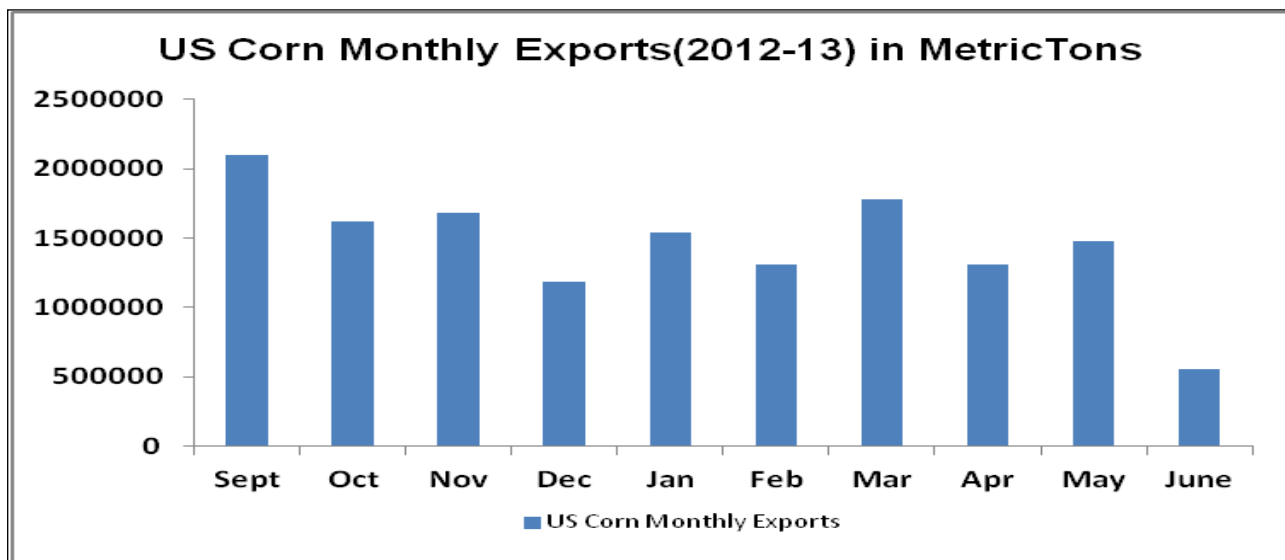
Market	Grade	21 June,2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1415	1420	1400	1525	1035
	Red	1440	1450	1335	1500	1060
Davangere	Bilty	1500	1455	-	-	1150
Shimoga	Bilty	1370	1360	1340	1340	-
Ranebennur	Bilty	-	-	-	-	-
Bagalkot	Hybrid/Local	-	-	1231	1246	-
Gadag	Local	-	-	-	1261	-
Hubli	Local	-	-	-	1263	-
Naugachia	Bilty	1180	1175	1050	1275	925
Nizamabad	Bilty	1390	1400	1250	1260	1100
Karimnagar	Local	1336	-	-	1241	-
Khammam	Local	-	-	-	-	-
khanna	Bilty	1530	1400	1350	1450	-
Ludhiana	Bilty	1465	1410	-	-	-
Sangli	Bilty	1590	1571	1375	1379	1297
Ahmedabad	Feed	1550	1490	1330	1390	1225
	Starch	1550	1550	1400	1450	1225

DOMESTIC MAIZE OUTLOOK:

Depleting stock and thin supply from Bihar support the maize prices. Meanwhile, expectation of higher sowing during kharif season and lower crop quality of Bihar restrain the gain for the near term.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

As per USDA, U.S. corn export figures reached to 14,551,807 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 39 percent to 322,400 metric tons from the last week and 6% from the prior 4-week average. Out of total weekly exports of 322,400 MT for the period of Jun 7-13, 2013 reported by U.S to Mexico (118,300 MT), Japan (93,000 MT), Venezuela (48,000 MT), and Panama (30,100 MT).



Some other major International Corn Highlights during the week are:

- As per Reuter news, Crop forecaster Lanworth lowered its world corn production at 957 million tons from 961 million tons previously forecasted due to wet weather in key growing areas of the United States that caused it to reduce yield expectations from 158.8 bushels per acre to 156.7 bushels per acre. The reduced yield expectations were based on heavy rain during planting and early development periods for crops in Illinois, Iowa, southern Minnesota and North Dakota.
- As per Reuter news, preliminary Japanese government data shows that Japan's use of corn in animal feed production fell to 42 % in the April'13 from 43.9% 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 fourth month in a row in April, rising to 40.7 percent from zero a year ago.
- As per Reuter News, Informa Economics projected U.S. 2013 corn planting lower at 95.262 million acres from its previously projected planting at 96.827 million, below the USDA' current estimate of 97.282 million acres. However, Informa left its yield forecast unchanged at 160.9 bushels per acre and projected production at a record 14.078 billion bushels.
- As per Reuter news, the country's agriculture minister said on Tuesday that Mexico will produce more than 20 million tons of corn this year which is below from last year produced

of 21.35 million tons in 2012 and from April forecast of 22.45 million tons due to cold snaps in Sinaloa state.

- As per Reuter news, European trader told that South Korea's largest feedmaker Nonghyup Feed Inc. has made an initial purchase of 69,000 tons of corn in a tender for Oct. 30 arrival from Cargill at a c&f premium of 157.00 cents over the Chicago December corn contract and made another purchase of 58,000 tons of corn from Agrifert for arrival by Nov. 15 with the Black Sea an accepted optional origin.
- As per Reuter news, European trader told that Taiwan Sugar Corp. rejected all offers and made no purchase in a tender for 23,000 tons of U.S.-origin corn due to higher corn prices and on the expectation that global corn prices could continue their recent weak trend.
- As per the latest crop progress report released by USDA, Corn has emerged by 92% as of 16th June, 2013 which is higher by 7% from the last week but below 8% from the last year and 5% from the last 5 year average period. 64% crop is in good to excellent condition which is up 1% 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	20.6.2013	13.6.2013	Change
Corn CBOT Prices	Jul-13	264.99	253.28	+11.71
	Sep-13	235.47	224.55	+10.92
	Dec-13	220.61	210.67	+9.94
	Mar-14	224.75	215.10	+9.65
	May-14	227.60	218.05	+9.55

CBOT CORN FUTURES OUTLOOK:



(CBOT Corn Chart: Dec Contract)

- Doji candlestick chart pattern reveals indecision situation in the market. However, forecast of favorable weather in maize growing belts of U.S. could weigh on the prices.
- Strategy: Markets participants should sell CBOT corn around 549 U.S cents/bushels and the target would be 540 U.S cents/bushels.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(August Contract Weekly Chart)

- Doji candlestick formation reveals indecision situation in the market.
- Prices closed above 9 and 18 days EMAs indicates to bullishness in the market.
- RSI is moving down in neutral zone indicates to bearishness.
- Prices could trade in a range of Rs. 1427-1493. 1382 seems like a strong support level.
- **Strategy:** Buy on dips and target would be 1477 for the near term.

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1326	1382	1438	1493	1548

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