

EXECUTIVE SUMMARY

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

As per PIB, The Cabinet Committee on Economic Affairs has increased the minimum Support Price (MSP) of Maize by Rs. 135 per quintal over last year's MSP at Rs. 1,310 per quintal.

During the week, around 3-4 motors of maize moved towards Khanna market of Punjab in the range of Rs. 1430-1520 per quintal on daily basis, contained 13-14% moisture level, sourced from Bihar. Higher poultry feed makers demand could keep prices firm in the market.

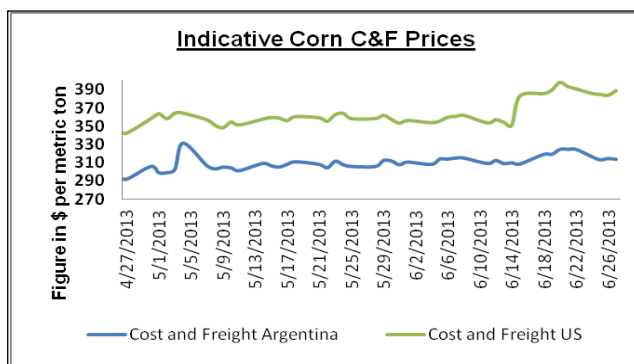
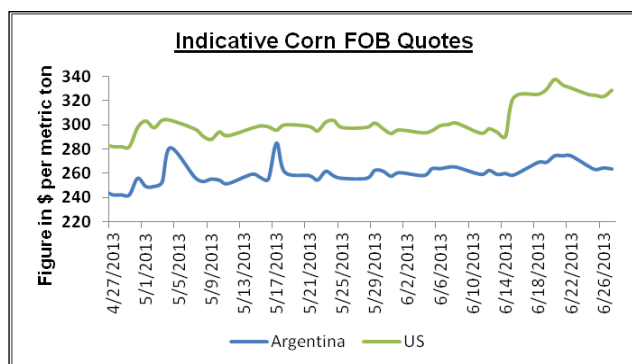
In Ahmadabad region of Gujarat, higher poultry feed makers demand kept maize prices up by Rs. 30 per quintal as compared to last week, sourced from Bihar and Rajasthan. Lower arrivals also support the firmness in the market. Poultry feed makers demand reported for corn in a range of Rs. 1500-1600 per quintal while sluggish demand from starch feed makers with the lower crop arrivals kept prices steady in a range of Rs. 1500-1550 per quintal.

As per Agriwatch trade sources, maize area is likely to shift in cotton and soybean crop in the karimnagar, warrangal and khammam district of A.P. Meanwhile, Ludhiana crop contained around 14-15% moisture and crop from A.P. contained 11.5 % moisture.

ON THE EXPORT FRONT:

As per Agriwatch trade sources, Bangladesh is demanding Indian corn at Rs. 1450 per quintal, sourced from Bihar which contained around 15% moisture. Maize is also moving towards Vietnam and Malaysia for cattle feed via vizag and Kakinada port at FOB \$255-260/ ton.

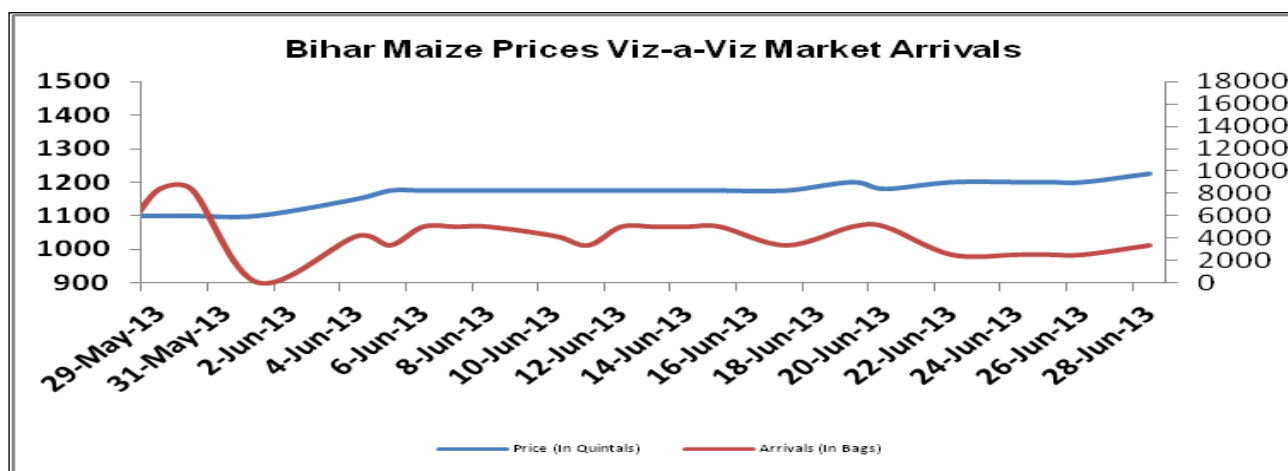
As per IBIS data, in the current marketing year (Oct'12-Sep'13), total maize exports were reported around 3.168 million tons during the October- May period. During May month, 0.507 million tons corn exports reported to Malaysia, Vietnam, Taiwan, Nepal, Yemen and China through Tondiarpet ICD, JNPT, Chennai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



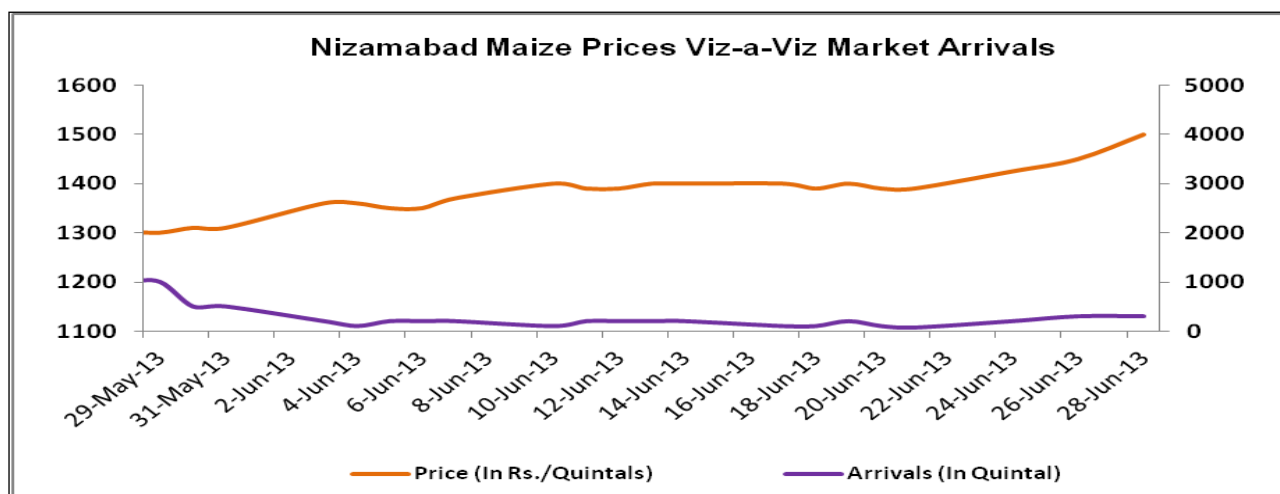
CURRENT MARKET DYNAMICS:

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

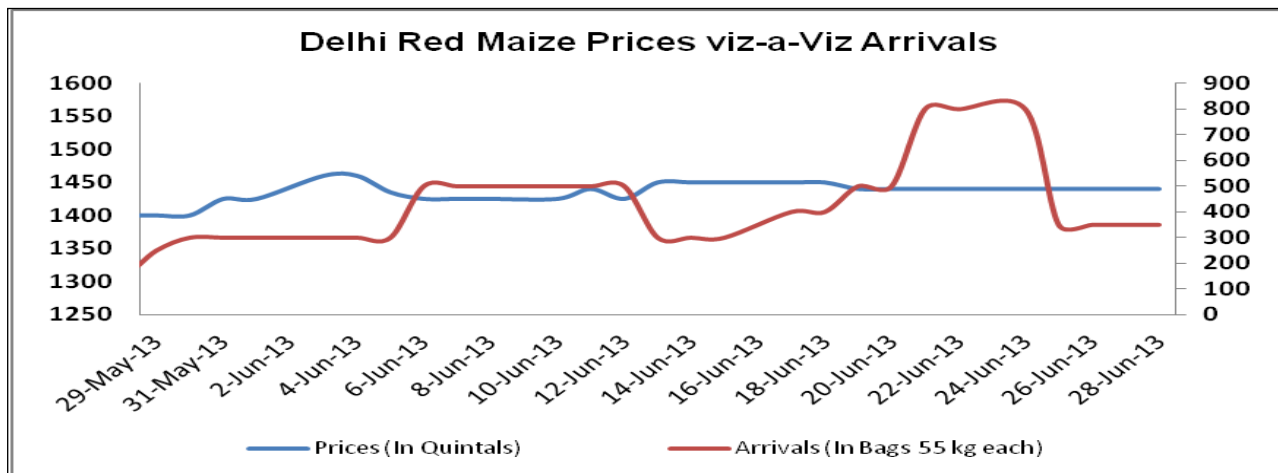
Bihar: Lower supply amid higher domestic and export demand kept prices of maize firm in the market. Maize is moving towards Vietnam and Malaysia for cattle feed via vizag and Kakinada port at FOB \$255-260/ ton. Maize is moving towards Bangladesh and Kolkata at Rs. 1450 and 1480 per quintal respectively, contained 15 % moisture. 2-3% fungus reported in the Bihar crop.



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. 1360-1440 per quintal sourced from Bihar, contained 18-20 % moisture. Meanwhile, hybrid maize traded in a range of Rs.1410-1470 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	14800 (Bihar Origin)	
Bangladesh		14500 (Bihar Origin)
Delhi	14400 (Bihar Origin)	
Delhi	14300 (U.P. Origin)	
Punjab(Khanna)	14300 (Bihar Origin)	
Gujarat	15700 (Bihar Origin)	

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	28 June,2013	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1470	1415	-	1525	1140
	Red	1440	1440	1400	1425	1160
Davangere	Bilty	-	1500	1350	-	1225
Shimoga	Bilty	1370	1370	1350	1330	-
Ranebennur	Bilty	-	-	-	-	-
Bagalkot	Hybrid/Local	-	-	1285	-	-
Gadag	Local	1386	-	1002	1283	-
Hubli	Local	-	-	-	1265	-
Naugachia	Bilty	1225	1180	1100	1150	925
Nizamabad	Bilty	1500	1390	1300	-	1225
Karimnagar	Local	1481	1336	1260	1240	-
Khammam	Local	-	-	-	-	-
khanna	Bilty	1570	1530	1325	1500	-
Ludhiana	Bilty	1525	1465	-	-	-
Sangli	Bilty	1630	1590	1425	1374	1348
Ahmedabad	Feed	1570	1550	1450	1350	1250
	Starch	1550	1550	1450	1400	1250

DOMESTIC MAIZE OUTLOOK:

Depleting stock and expectation of lower sowing during kharif season could support the maize prices. Higher domestic and export demand also support the maize prices.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

As per USDA, U.S. corn export figures reached to 14,703,026 metric tons for the 2012-13 marketing year which is lowered by ~55% from the last marketing year during the same period. Corn exports were down by 53 percent to 151,200 metric tons from the last week and 52% from the prior 4-week average. Out of total weekly exports of 151,200 MT for the period of Jun 14-20, 2013 reported by U.S to Venezuela (58,000 MT), Mexico (46,400 MT), Japan (25,500 MT), and Honduras (13,900 MT).



Some other major International Corn Highlights during the week are:

- As per Reuter news, European Trader told that South Korea's Major Feedmill Group purchased 124,000 tons corn through tender for arrival in the month of November. Some 69,000 tons was purchased at \$260.80 a ton c&f and is likely to be sourced from the United States and/or South America. 55,000 tons was bought at \$256.75 a ton and was likely to be sourced from the Black Sea region.
- As per Reuter news, European trader told that a group of Israeli private buyers has purchased about 90,000 tons of corn at \$250 a ton c&f for August/September shipment and for September/October shipment at 46.5 cents a bushel c&f over the Chicago December corn contract, expected to be sourced from the Black Sea region.
- As per Reuter News, the Argentina government said on Wednesday that it has authorized 16 million tons corn exports in 2013/14.
- As per Reuter news, China has approved another two strains of genetically-modified corn for imports to fulfill animal feed producers demand.
- As per Reuter News, European trader told that The Korea Corn Processing Industry Association has purchased 55,000 tons of corn at \$278.50 a ton c&f plus \$1.50 a ton surcharge for unloading at an additional port. Seller was said to be Mitsui. The corn should arrive at the ports of Incheon and Kunsan by Oct. 15.
- As per the latest crop progress report released by USDA, the corn crop has been emerged 96% as of 25th Jun, 2013 which is higher by 4% from the last week but below 4% from the

last year and 3% from the last 5 year average period. 65% corn was in good to excellent condition which is higher 9% as compared to last year.

INTERNATIONAL MAIZE OUTLOOK:

Corn prices for July contract increased on CBOT market due to tight supply. However, corn prices for December contract decreased as U.S. corn planting estimates well above trade expectations at 97.4 million acre and on forecasts for nearly ideal U.S. corn-growing weather.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	28.6.2013	20.6.2013	Change
Corn CBOT Prices	Jul-13	267.35	264.99	2.36
	Sep-13	215.40	235.47	-20.07
	Dec-13	201.13	220.61	-19.48
	Mar-14	205.36	224.75	-19.39
	May-14	208.31	227.60	-19.29

CBOT CORN FUTURES OUTLOOK:



(CBOT Corn Chart: Dec Contract)

- Candlestick chart pattern reveals bearish sentiment in the market.
- Strategy: Markets participants should sell CBOT corn December contract at current level and the target would be 495 U.S cents/bushels.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(August Contract Weekly Chart)

- Candlestick chart pattern reveals range bound movement in the market.
- Prices closed above 9 and 18 days EMAs indicates to bullishness in the market.
- RSI is moving up in neutral zone support to bullishness.
- Prices could trade in a range of Rs. 1415-1458. 1402 seems like a strong support level.
- **Strategy:** Buy on dips and target would be 1458 for the near term.

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1376	1402	1440	1458	1486

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