

### EXECUTIVE SUMMARY:

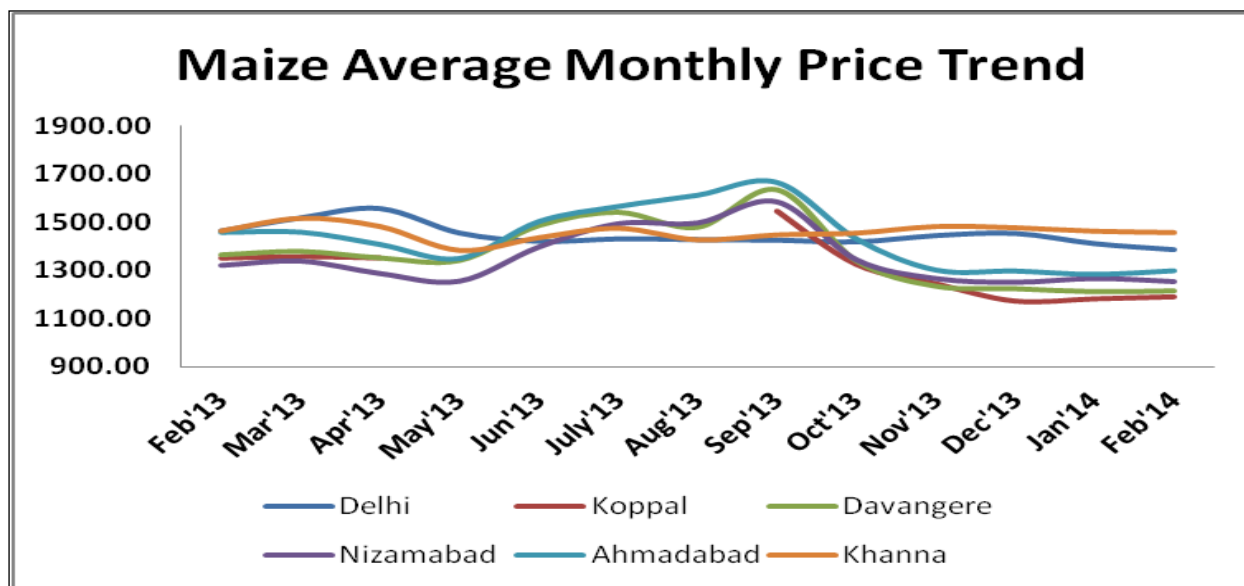
Mixed sentiments witnessed during the month of February. Besides higher maize production during Rabi season and ample kharif maize stock in the market continuous need based domestic demand of poultry and starch feed makers kept the market in the steady tone.

As per second advance estimate of crop production, Maize production is expected at 23.29 million tons during 2013-14.

As per Ministry of Agriculture, maize have been sown in 15.085 lakh hectares during 2013-14 against 14.265 lakh hectares sown in 2012-13 for rabi season

During the month of February, in the Khanna market of Punjab, the maize was quoted steady in a range of Rs. 1445-1480 per quintal as compared to last month. Around 8-9 motors reported on daily basis, contained 14% moisture, sourced from Maharashtra and Himachal. Sources revealed that maize stock could be around 150-200 motors.

Meanwhile, in Ahmadabad region of Gujarat, poultry feed makers demand reported down by Rs. 20 per quintal for corn in a range of Rs. 1250-1330 per quintal. However, starch feed makers demand reported firm by Rs. 20 per quintal as compared to last month, in a range of Rs. 1280-1370 per quintal, contained around 14% moisture, and sourced from Maharashtra.



**INDIA MAIZE BALANCE SHEET**

					<b>2013-14 Quarterly B/S</b>	
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13*E</b>	<b>2013-14F</b>	<b>Oct-Dec'13 F</b>	<b>Jan-Mar'14 F</b>
Opening Stocks (MMT)	0.48	0.99	1.20	0.15	0.15	4.38
Area Harvested (MHA)	8.60	8.67	8.50	8.80		
Production (MMT)	21.73	21.57	20.00	21.00	12.00	3.00
Yield (MT/HA)	2.53	2.49	2.35	2.39		
Farmer's Release (MMT)	15.21	15.12	11.87	14.53	7.33	3.14
Govt. Procurement (MMT)	0.05	0.02	1.00	0.18	0.11	0.07
Pvt. Trade Release (MMT)	15.16	15.10	10.87	14.35	3.60	6.69
Seed Retention (MMT)			0.22	0.24	0.21	0.00
Imports (MMT)	0.02	0.01	0.01	0.01	0.00	0.00
<b>Total Supply (MMT)</b>	<b>22.23</b>	<b>22.57</b>	<b>21.21</b>	<b>21.16</b>	<b>12.15</b>	<b>7.38</b>
Export (MMT)	3.34	4.47	4.76	3.00	0.53	1.14
Domestic Consumption (MMT)	17.90	16.90	16.30	17.25	7.25	4.83
<b>Total Demand (MMT)</b>	<b>21.24</b>	<b>21.37</b>	<b>21.06</b>	<b>20.25</b>	<b>7.77</b>	<b>5.97</b>
<b>Ending Stock (MMT)</b>	<b>0.99</b>	<b>1.20</b>	<b>0.15</b>	<b>0.91</b>	<b>4.38</b>	<b>1.41</b>

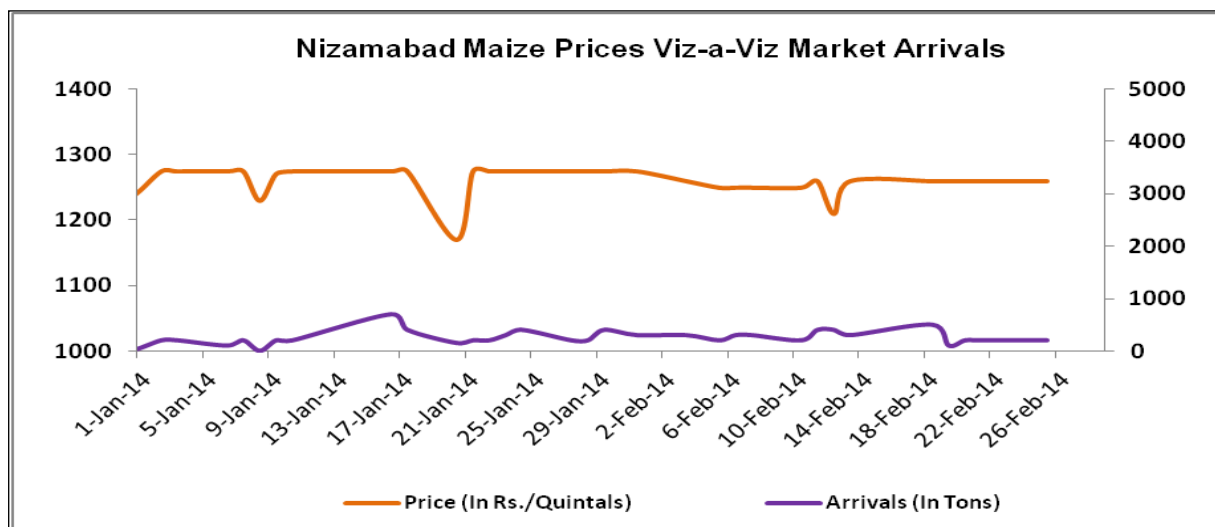
- *E= AW Estimates, F=AW Forecast*
- *The seed has consumed 0.205 MN T IN OCT-DEC'13 AND 0.037 MN T IN APR-JUN'14 Quarter.*

<b>Consumption Break Up For 2013-14 (Figures in MMT)</b>	
Poultry & Cattle feed	10.5
Starch & Brewery	4.6
Human Consumption	1.65
Seed	0.243
Shortage & Wastage	0.5

## STATE - WISE MARKET DYNAMICS

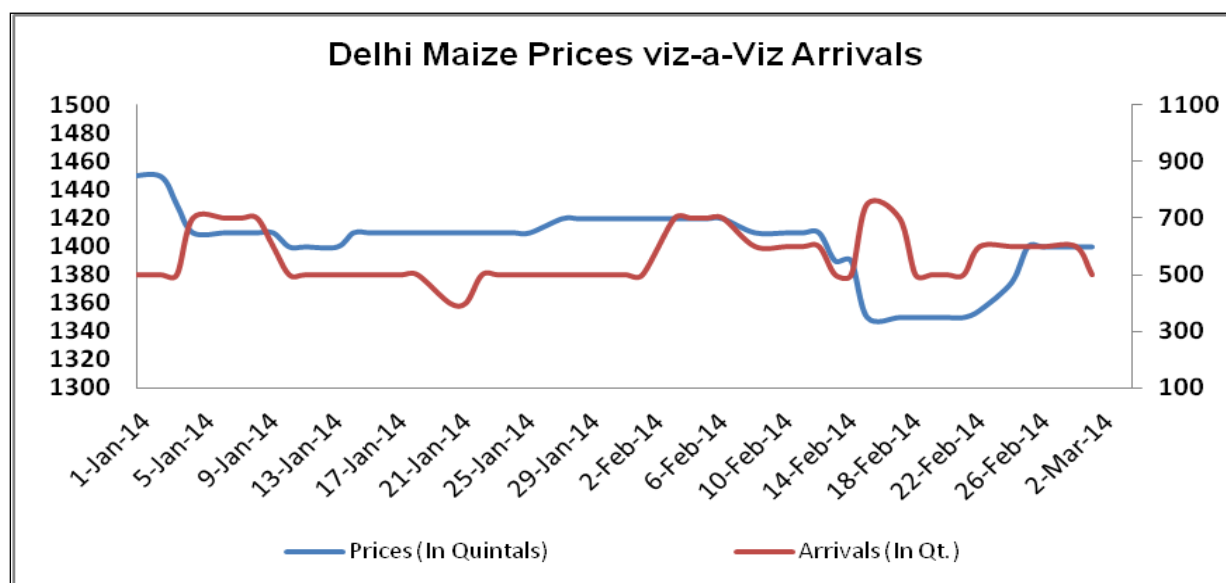
### ANDHRA PRADESH

As per trade sources, In Nizambad, maize stock could be around 4 lakh bags ( 1 bag=60 kg).



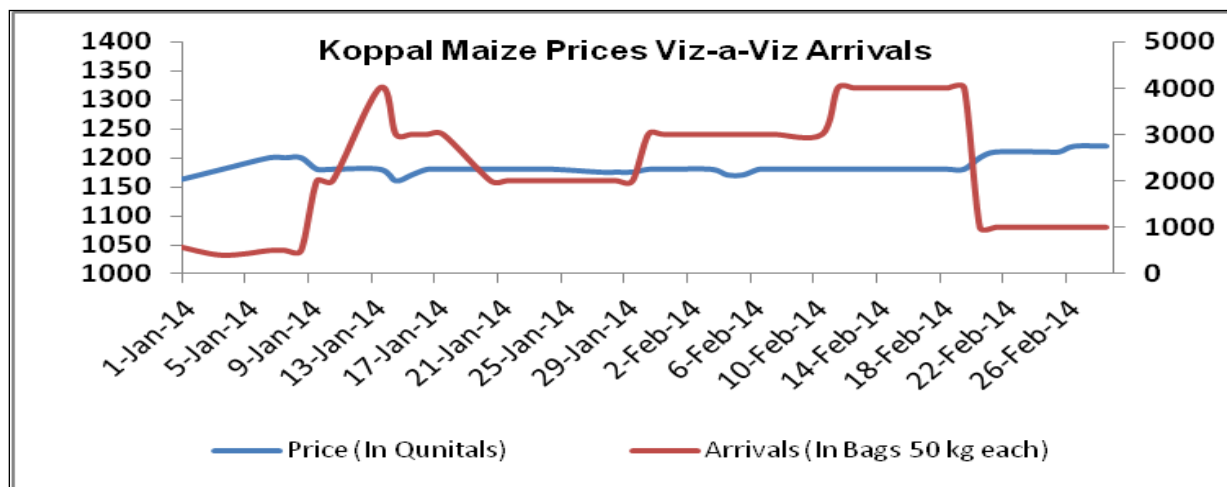
### DELHI

During the month of February, hybrid maize traded down by Rs. 30 per quintal, in a range of Rs. 1350-1420 per quintal, sourced from U.P. Sources revealed that prices could trade steady in the near term.



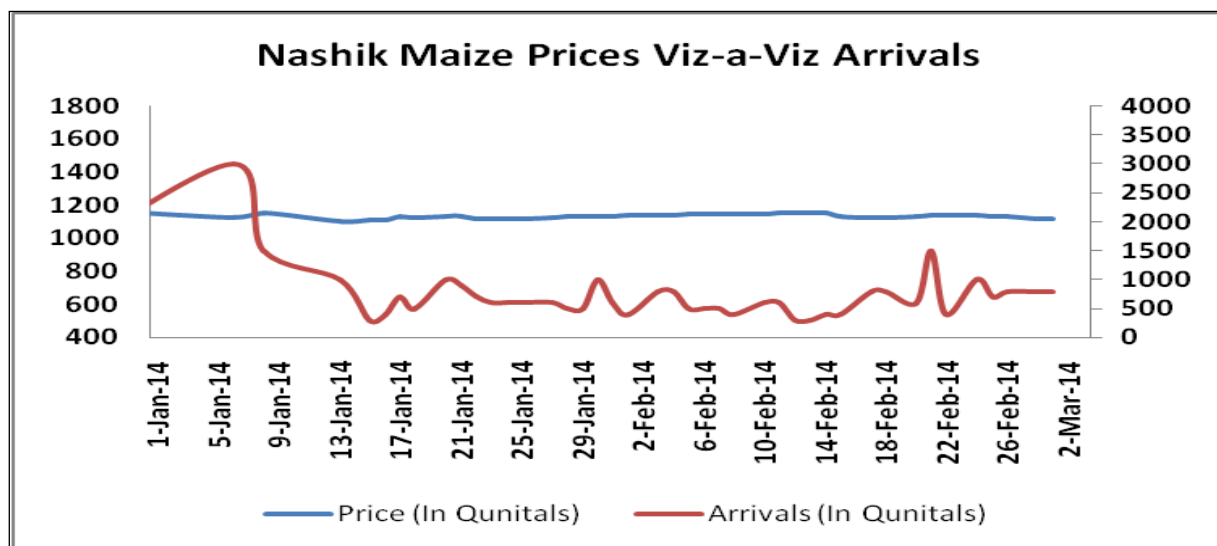
## KARNATAKA

As per trade sources, maize stock could be around 3 lakh bags (included government stock 2 lakh bags and local stockiest stock around 1 lakh bags). Maize is moving towards Krishnapatnam at Rs. 1240 per quintal, sourced from Koppal .



## MAHARASHTRA:

Maize are moving towards Pune at Rs. 1200, Satara at Rs. 1280, and Gujarat at Rs. 1300-1320 per quintal, sourced from Maharashtra.

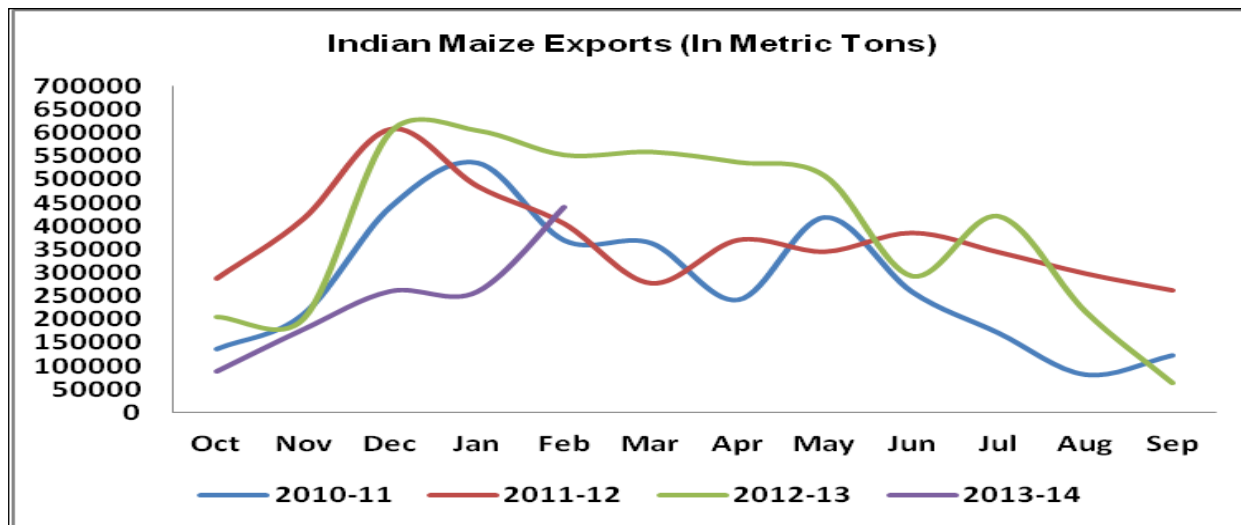
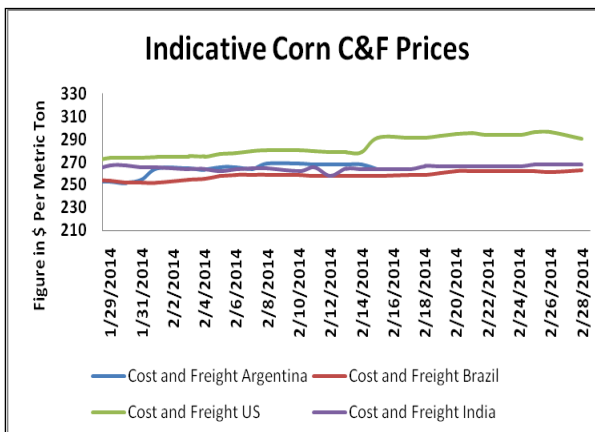
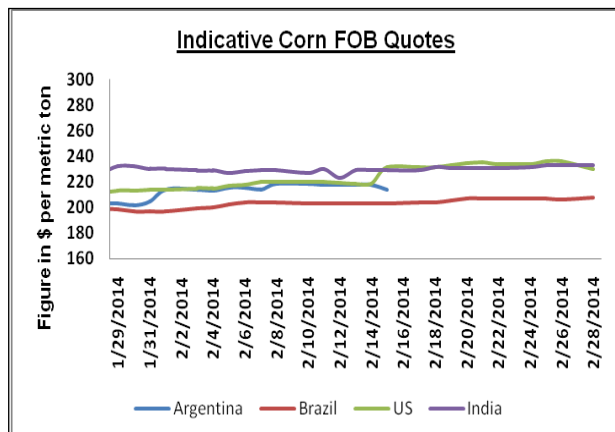


Month-wise Average prices of Maize at various markets					
Market	2014-Feb	2014-Jan	2013-Feb	% Change from Pre. Month	% Change from Pre. Year
Delhi (U.P. Origin)	1400	1420	1515	-1.41	-7.59
Davangere	1200	1240	1400	-3.23	-14.29
Shimoga	1140	1110	1400	2.70	-18.60
Bagalkot	1160	1161	1312	-0.09	-11.59
Gadag	1110	1132	1279	-1.94	-13.21
Nizamabad	1260	1275	1310	-1.18	-3.82
khanna	1460	1450	1450	0.69	0.69
Ludhiana	1450	1450	1460	Unch	-0.68
Sangli	1243	1220	1403	1.89	-11.40
Gulabgh	1300	1350	NA	-3.70	-

#### PRICE OUTLOOK:

Maize is expected to feature steady to slightly firm tone amid higher domestic demand from poultry till the new crop arrivals, expected in the mid of April.

## ON THE EXPORT FRONT:



**EXPORT BREAK UP BY MAJOR COUNTRIES DURING THE MONTH OF FEB'14**


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Country	Qty in Tons
Vietnam	105586.28
Malaysia	83932.46
Indonesia	25729.37
Taiwan	19367.05
B'desh	12775.25
Nepal	7432.83
Singapore	4995.77

As per IBIS data, During the month of Feb'14, 0.4416 million tons corn exports reported to, Vietnam, Malaysia, Indonesia, Taiwan, Bangladesh, Nepal and Singapore mainly through JNPT, Kakinada Sea, Tondiarpet ICD, Krishnapatnam sea, Chennai Sea, Vizag Sea and Raxaul LCS port.

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 62.07)				
	Argentina	Brazil	US	India
<b>FOB</b>	N.A	207.9	230.2	233
<b>Cost and Freight (C&amp;F)</b>	N.A	262.9	290.2	267.94

March 05, 2014

## FUTURES MARKET ANALYSIS: NCDEX MAIZE (APRIL WEEKLY FUTURE CHART)



- Candlestick chart pattern reveals that maize could trade firm in the market.
- RSI is moving up in oversold zone.
- Strategy: Buy above 1174 and target1 and target2 would be 1248, 1285 for the near term.

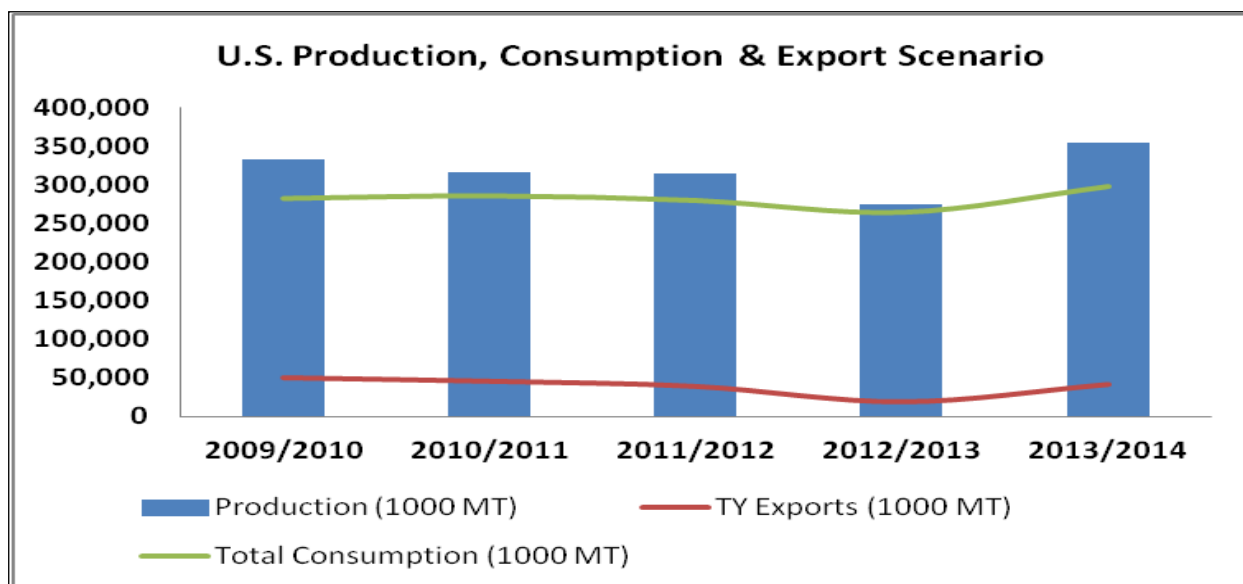
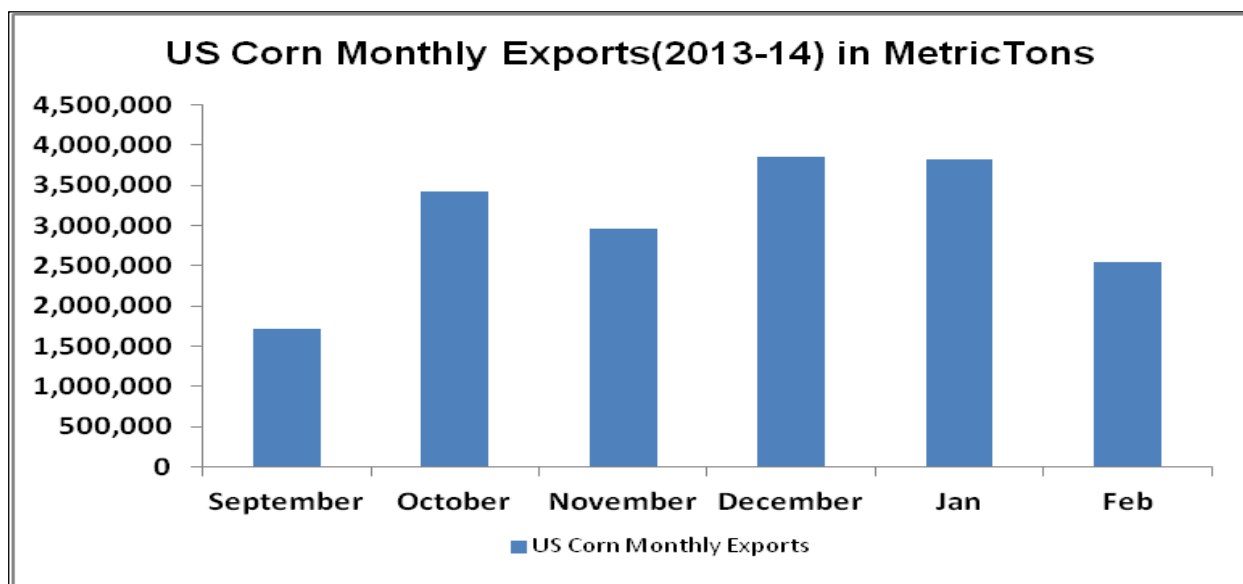
Support & Resistance				
S2	S1	PCP	R1	R2
1138	1200	1184	1320	1363



## INTERNATIONAL MARKET SCENARIO:

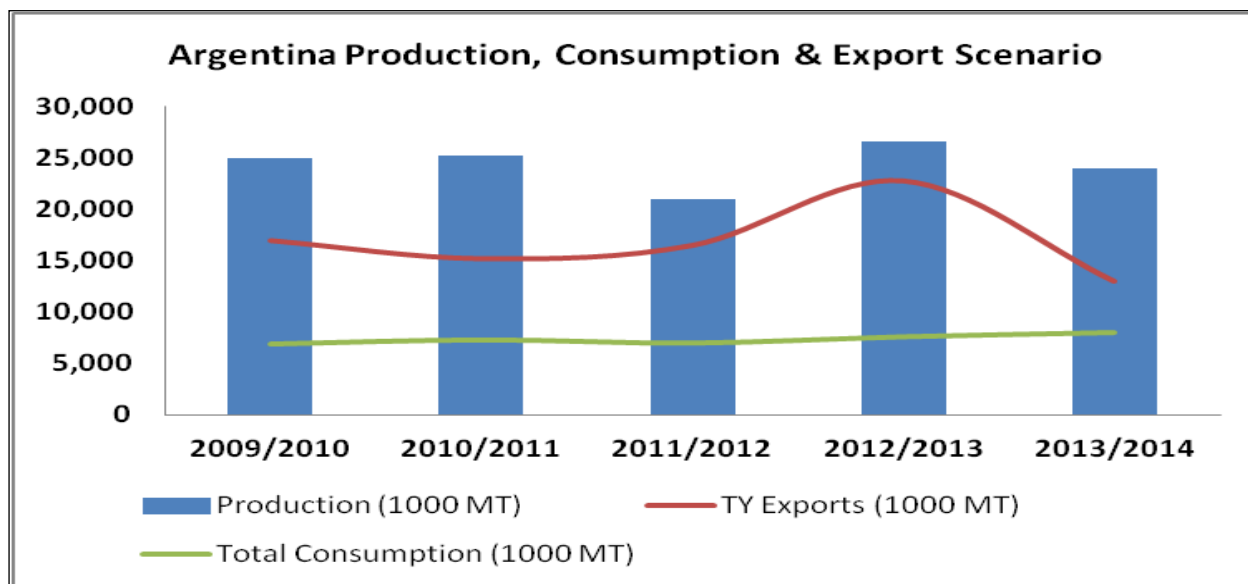
### U.S.

As per USDA, U.S accumulated corn export figures reached to 17,315,011 metric tons for the 2013-14 marketing year which is higher by ~91% from the last marketing year during the same period and up by 15% from the last week. Exports of 853,100 MT were reported by U.S. to Japan (285,000 MT), Mexico (186,400 MT), Peru (130,100 MT), Colombia (94,100 MT), and South Korea (56,500 MT) for the period Feb 14- Feb 20, 2014.



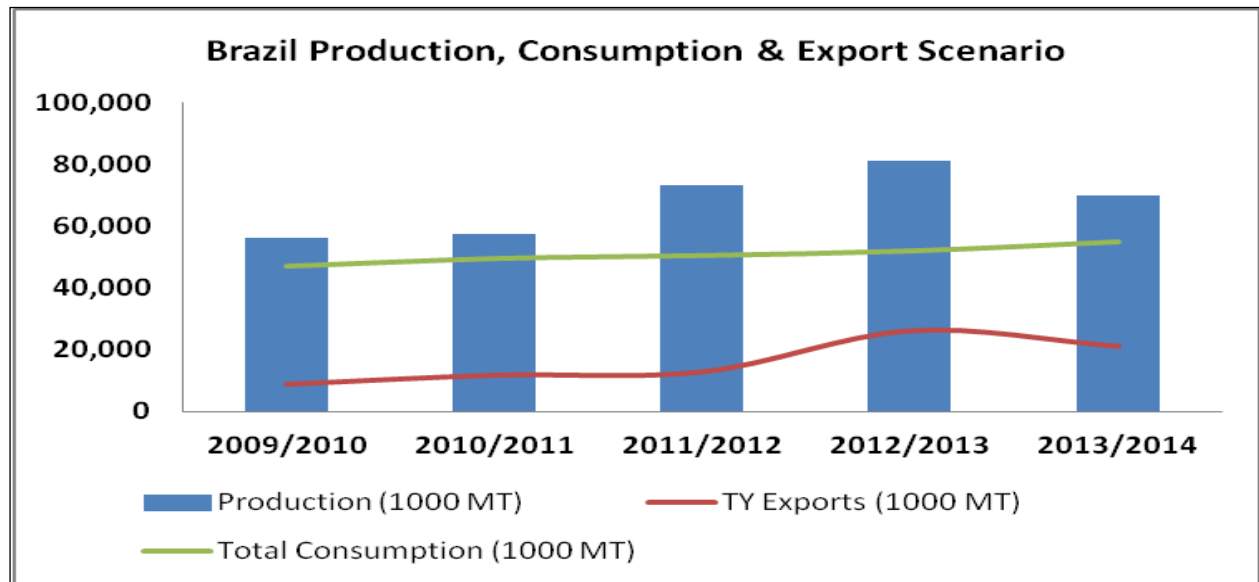
- As per USDA forecast, U.S. corn plantings for the 2014/15 crop year to fall by 0.7% to 92.0 million acres as U.S. farmers will plant more soybeans, cotton and rice in 2014-15.
- The corn production in US is expected to be 353.7 million tons, around 29% higher compared to last year, a recent report from the USDA showed.
- The USDA also forecast that 1.481 billion bushels of corn will remain on hand when the new crop is ready for harvest by late summer, well above the drought-affected level of 2012/13 but down from 1.631 billion projected in January and a second consecutive substantial monthly reduction.

### ARGENTINA



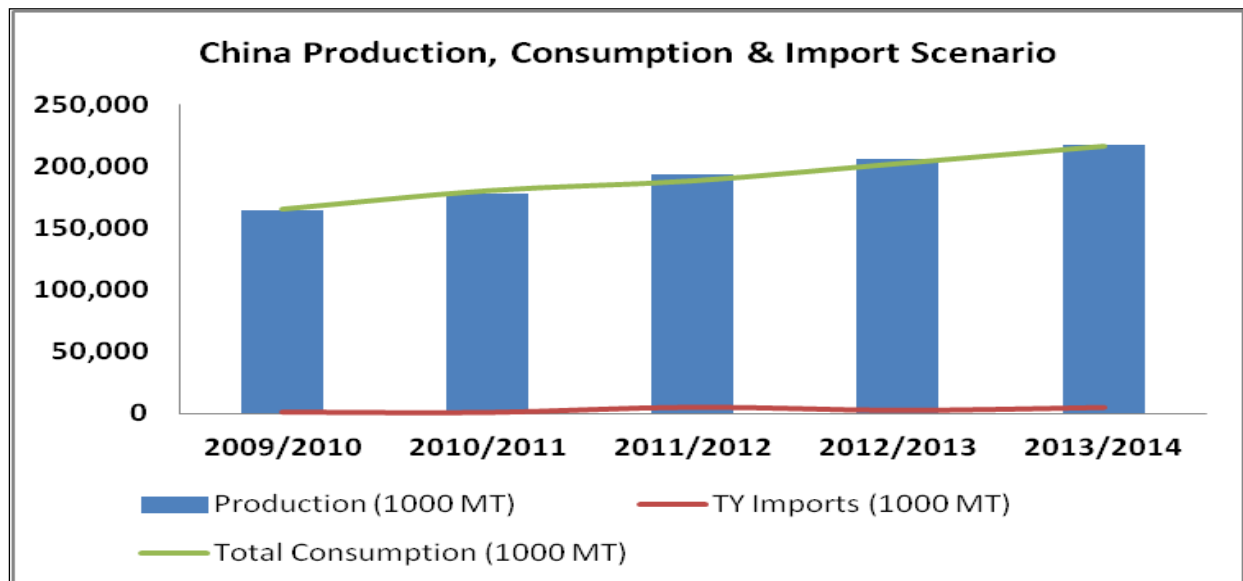
- Informa Economics left unchanged its corn production estimate for Argentina at 22.6 million tons but lowered by USDA forecast at 24 million tons.
- Argentina's agriculture ministry left its estimate of the country's 2013/14 corn plantings unchanged at 5.7 million hectares.

### BRAZIL

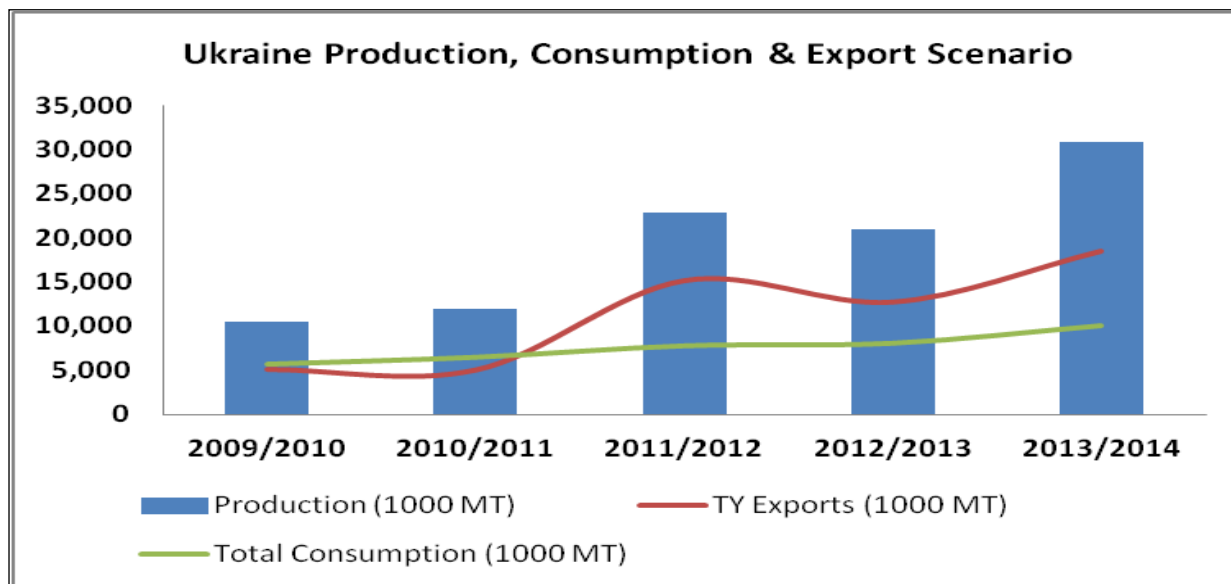


- Informa Economics lowered its 2013/14 corn production estimate for Brazil to 65.45 million tons from 66.55 million tons previously estimated as corn yield in Brazil is seen hit by the drought prevailing there. USDA forecast corn production for Brazil at 70 million tons for 2013-14.

### CHINA



### UKRAINE



- As per report issued by a U.S. Department of Agriculture attaché in Kiev, Ukraine set another record for corn output this season, producing over 30 million metric tons (MMT). Area expansion and improving yields meant that corn drove total grain output upward.

### INTERNATIONAL CORN HIGHLIGHTS

- As per USDA, global production is estimated at 966 million tons against 862 million tons last season. Though consumption is seen rising by 0.8 million tons to a record 943 million tons, carryover stocks will be higher than last year at 157 million tons (133 million tons).
- As per Reuter, USDA raises South Korea 2013/14 corn import forecast to 9.5 million MT, up 500,000 tons, of which U.S. exports are estimated at 3 million tons, up one million tons from Post's previous forecast due to competitive prices. Corn consumption forecast is revised to 9.6 million MT, up 500,000 MT, replacing feed grade wheat.
- The unrest in Ukraine leading to fears of delay in shipments has also aided the bullish trend.
- Europe has begun exporting more wheat and to meet feed demand, it is importing more corn.
- South Korea is buying more corn and less wheat for its feed requirement.
- Mexico, Vietnam, Saudi Arabica and Chile all have gone for higher imports of corn in view of lower prices.
- As per Reuter news, preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 45.2% in the Dec'13 from 42.7% during the same month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased.
- As per Reuter, Mexico's total corn production estimate for MY2013/14 (October-September) has been revised downward to 21.5 million metric tons (MMT) due to lower

March 05, 2014

planted area. Official sources stated several Mexican states planted more sorghum than initially expected during the 2013/14 fall/winter crop cycle as lower domestic corn prices provided incentives to shift from planting corn to planting sorghum, leading to a higher production estimate for MY2013/14.

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

- As per Reuter, South Korea's Feed Leaders Committee purchased 63,000 tons of corn from Cargill at \$258.47 a ton c&f plus \$1.50 surcharge for the option of unloading at a second port, origin is likely to be the United States or South America.
- As per Reuter, Libyan buyer has purchased around 30,000 tons of corn from the Black Sea region about \$243 a ton c&f for immediate spot shipment.
- As per Reuter, Greek importers have purchased around 6,000 tons of corn at \$236 to \$237 a ton CIF east coast Greece for March shipment to be sourced from Russia and Moldavia.

Maize CBOT Monthly Futures Price Listing (USD/MT)				
	Contract Month	27.2.2014	31.1.2014	Change
Corn CBOT Prices	<b>Mar-14</b>	448.00	433.50	<b>14.50</b>
	<b>May-14</b>	454.50	439.50	<b>15.00</b>
	<b>Jul-14</b>	458.50	443.50	<b>15.00</b>
	<b>Sep-14</b>	458.50	446.00	<b>12.50</b>

## OUTLOOK:

*Corn prices on CBOT market increased in the last few weeks primarily due to cold weather affecting shipments in the US, the month end action (correction in the positions) and also as the Ukraine situation unfolded. If the uncertain situation in Ukraine persists, the corn prices may move up. Besides, Informa Economics' forecast for lower corn production in Brazil also supports the prices to move up.*

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