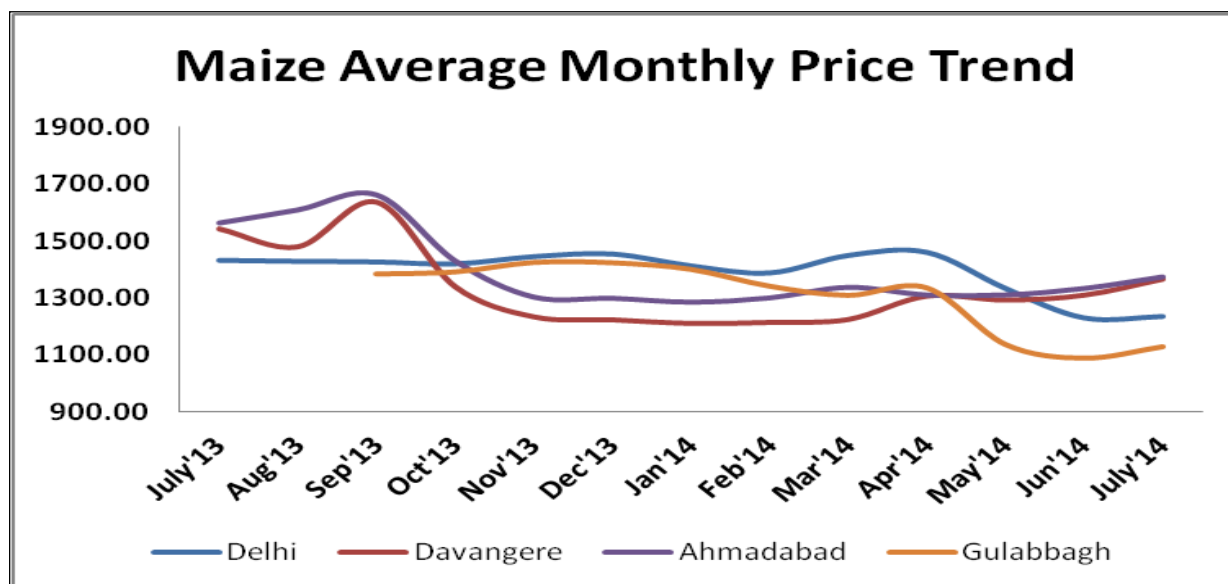


### EXECUTIVE SUMMARY:

Overall firm sentiments witnessed in the major spot markets of maize during the month of July due to delay in rainfall but now sowing has cover up in the producing regions of maize and pressurizing the prices of maize but any major dip is unlikely and market is expected to move range bound for the month of August. In Bihar, crop contains around 13-14% moisture at this time. At the time, it is moving towards Kolkata at Rs. 1250-1310 per quintal, sourced from Naugachia region of Bihar. Meanwhile, maize is moving towards Bangalore, Nammakal and Chitradurga at Rs. 1420 per quintal, 1520 per quintal and Rs. 1380 per quintal respectively, sourced from Davangere.

During the month of July, in Ahmadabad region of Gujarat, poultry feed makers quotes for maize were firm by Rs. 90 per quintal to Rs. 1340-1450 per quintal while starch feed makers quotes were firm by Rs. 10 per quintal as compared to last month, in a range of Rs. 1300-1410 per quintal, sourced from U.P.



**INDIA MAIZE BALANCE SHEET**

			<b>2013-14 Quarterly B/S</b>			
	<b>2013-14E</b>	<b>2014-15F</b>	<b>Oct-Dec'13 F</b>	<b>Jan-Mar'14 F</b>	<b>Apr-Jun'14 F</b>	<b>July-Sep 14 F</b>
Opening Stocks (MMT)	0.15	0.77	0.15	4.78	1.97	2.15
Production (MMT)	21.42	20.52	12.40	3.10	4.74	1.18
Farmer's Release (MMT)	14.95	14.32	7.26	3.11	3.20	1.37
Govt. Procurement (MMT)	1.09	1.09	0.49	0.60	0.00	0.00
Pvt. Trade Release (MMT)	13.85	13.22	3.25	6.03	2.74	1.83
Seed Retention (MMT)	0.24	0.24	0.04	0.00	0.21	0.00
Imports (MMT)	0.01	0.01	0.00	0.00	0.00	0.01
<b>Total Supply (MMT)</b>	<b>21.58</b>	<b>21.30</b>	<b>12.55</b>	<b>3.10</b>	<b>4.74</b>	<b>1.19</b>
Export (MMT)	3.56	3.56	0.53	1.07	1.46	0.50
Domestic Consumption (MMT)	17.25	17.25	7.25	4.83	3.11	2.07
<b>Total Demand (MMT)</b>	<b>20.81</b>	<b>20.81</b>	<b>7.77</b>	<b>5.90</b>	<b>4.56</b>	<b>2.57</b>
<b>Ending Stock (MMT)</b>	<b>0.77</b>	<b>0.49</b>	<b>4.78</b>	<b>1.97</b>	<b>2.15</b>	<b>0.77</b>

- *E= AW Estimates, F=AW Forecast*

- *All figures in million tons*



August 5th, 2014

### MAIZE- PRELIMINARY PRODUCTION ESTIMATES & WEATHER

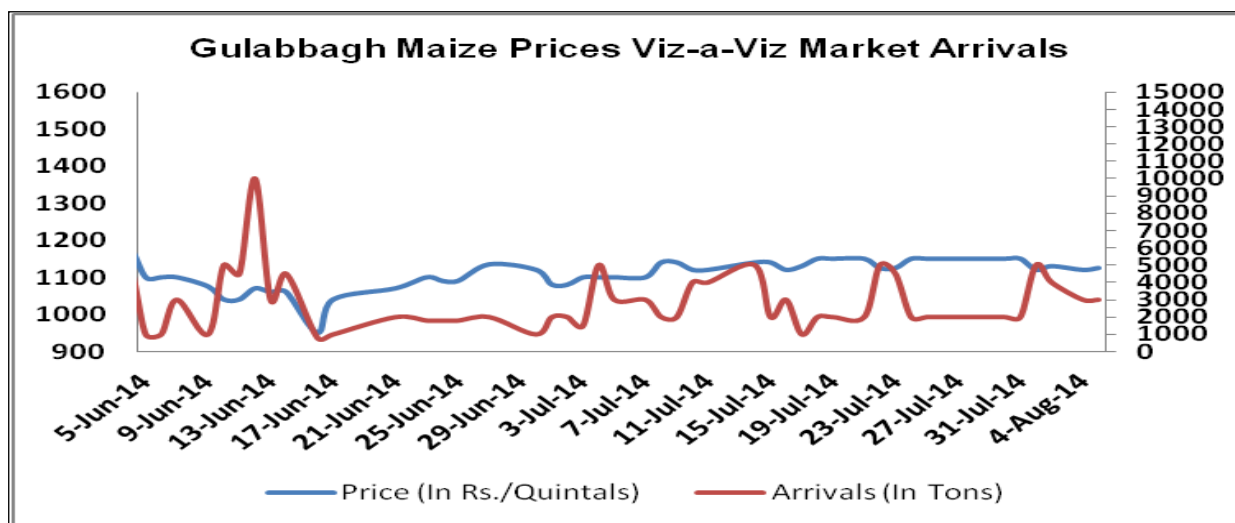
States	Area in '000 Ha. (last year)	Cumulative Rainfall Distribution % (1st jun to 30 july'14)	Normal Expected Period of Sowing	Current Period of sowing	Sowing Data as per Government as of 1st Aug'14 ('000 hectares)	5 year Av. Prod ('000 tons)	Production under Normal condition ('000 tons)	Revised Production under Deficit Rainfall ('000 tons)	Area under Normal condition
Andhra Pradesh	622	-38%	May end	Jun first week	360.6	1472	1423.56	935.00	80%
Bihar	467	-25%	Jun mid week	Jun mid week	380	596	899.41	804.64	100%
Gujarat	349	-33%	Jun first week	July Mid Week	206.5	473	281.44	190.38	60%
Karnataka	1299	-15%	Jun first week	Jun first week	919	3311	3867.51	3325.24	100%
West Madhya Pradesh	1003	-6%	Mid Jun to Jun End	July First Week to Mid Week	605	1270	1089.64	976.20	75%
Maharashtra	955.5	-22%	Jun first week	July First Week to Mid Week	390.8	1820	1821.63	1852.23	75%
East Rajasthan	966.6	-23%	Jun Mid	July Mid Week	859.2	1506	1515.30	939.30	100%
Uttar Pradesh	813	-37%	Jun first week	July First Week to Mid Week	670	1162	1073.28	1033.87	85%
All India	8224.8				5785	15552	15695.9	13588.4	

- \*It Is PRELIMINARY ESTIMATES; HOWEVER, PRODUCTION MAY DEVIATE +/- 5% ACCORDING TO THE WEATHER DEVELOPMENT AND OVERALL RAINFALL SITUATION.

## STATE - WISE MARKET DYNAMICS

### BIHAR

As per trade sources, maize crop contains around 13-14% moisture and it is moving towards Kolkata at Rs. 1250-1310 per quintal, sourced from Naugachia region of Bihar. Sources revealed that higher carry forward stock amid lower export demand could keep prices under pressure.

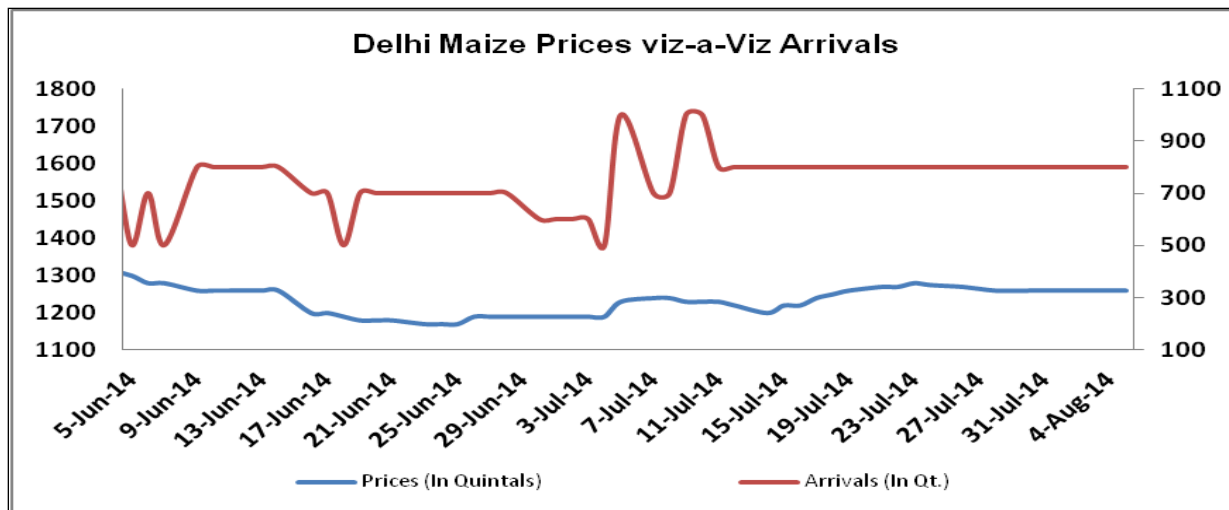


### ANDHRA PRADESH

As per trade sources, government of A.P. has procured maize around 0.26 million tons. Besides, private traders have around 0.25 million tons stock of maize at this time. Sources revealed that government is likely to release its sock in the month of August.

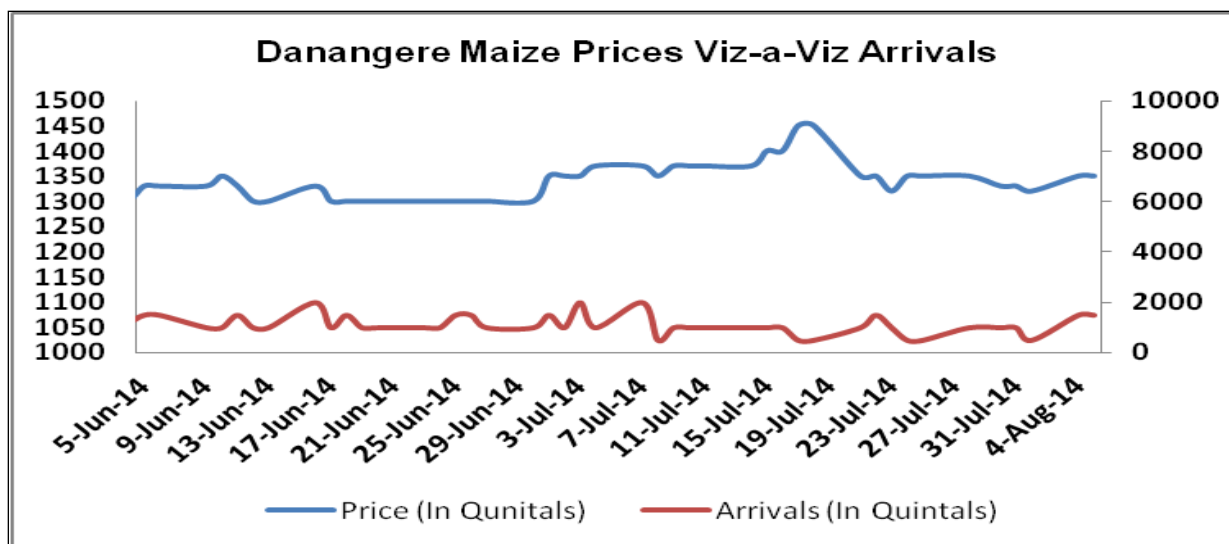
## DELHI

In Delhi, hybrid maize is quoting at Rs. 1260 per quintal, sourced from U.P. Sources revealed that maize could trade steady for the near term.



## KARNATAKA

As per trade sources, government of Karnataka has stock of maize around 0.60 million tons. Government had released the 50,000 quintal of maize at Rs. 1250 per quintal in the third week of July. More dip is unlikely at this point of time. Market is expected to move range bound. Currently, it is moving towards Bangalore, Nammakal and Chitradurga at Rs. 1420 per quintal, 1520 per quintal and Rs. 1380 per quintal respectively, sourced from Davangere.

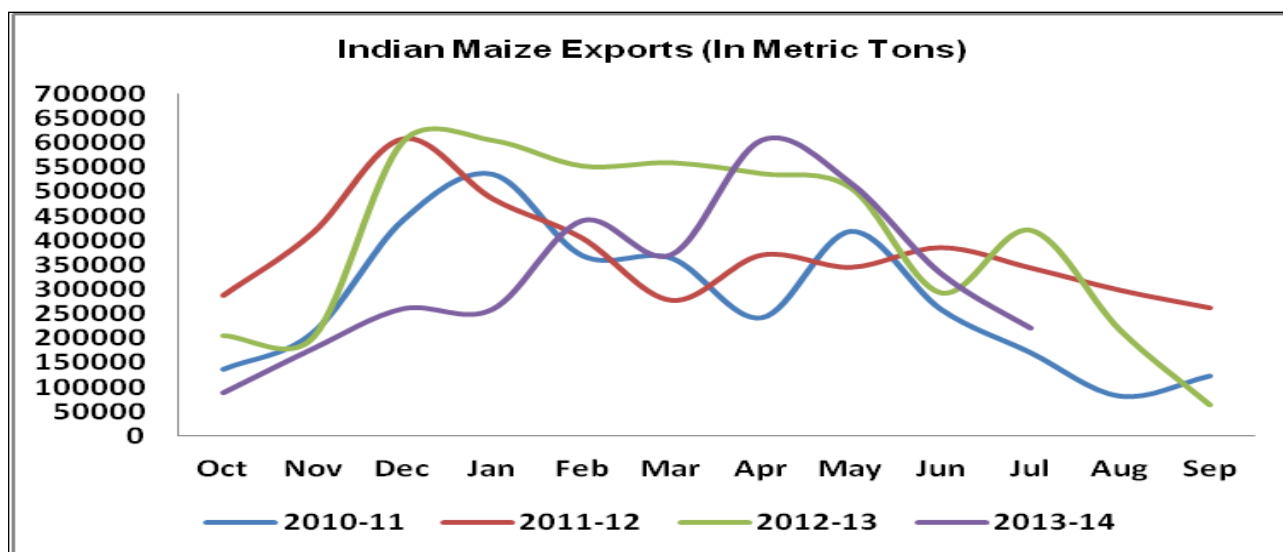
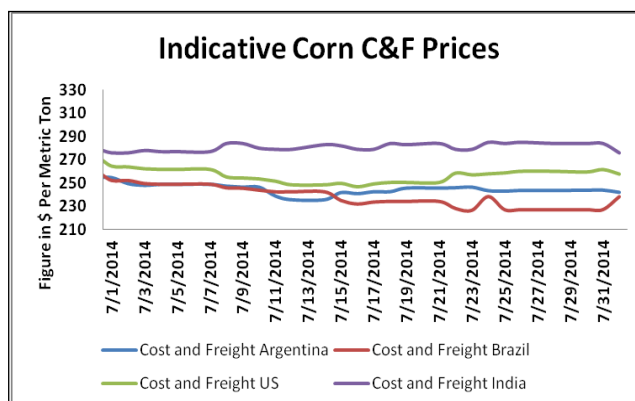
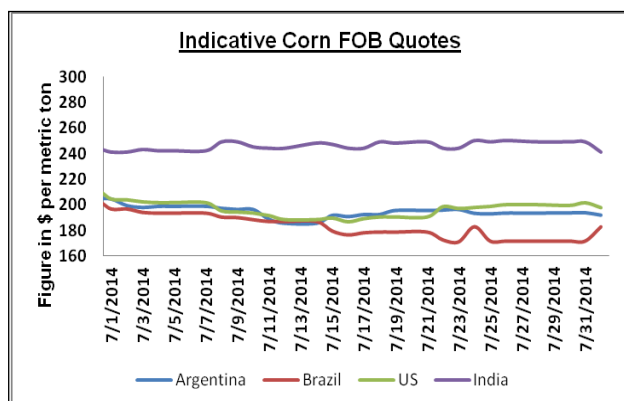


### PRICE OUTLOOK:

We expect market to move range bound during the month of August. Traders could purchase the maize at every bottom and could hold the position till the September end to book the profit.

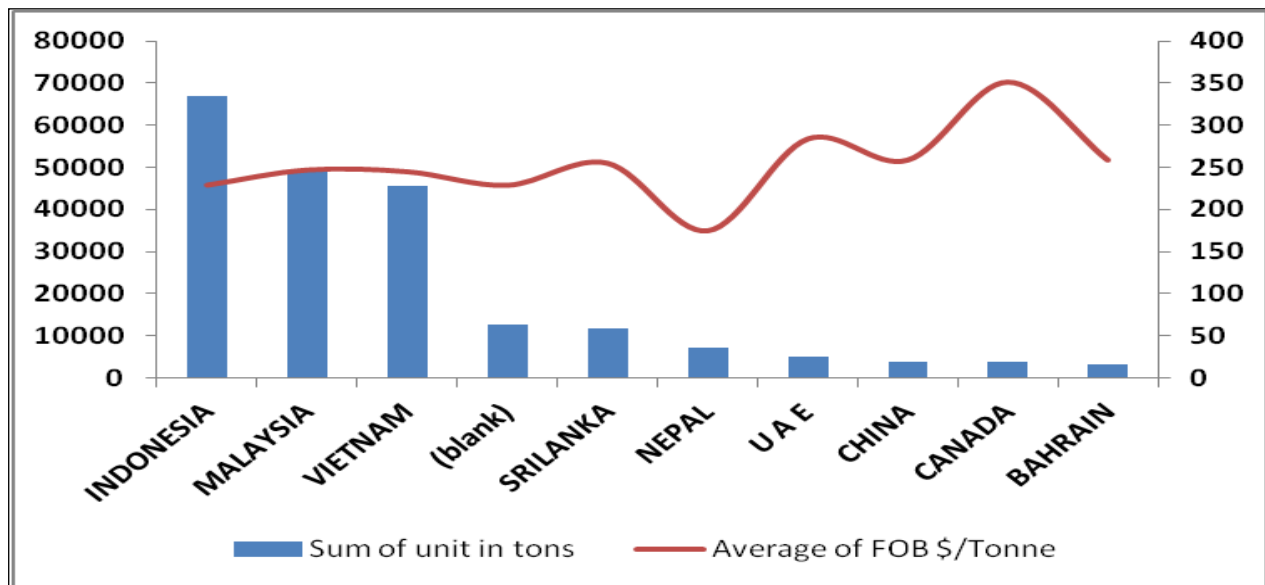
Month-wise Average prices of Maize at various markets					
Market	2014-July	2014-June	2013-July	% Change from Prev. Month	% Change from Prev. Year
Delhi (U.P. Origin)	1260	1190	1400	5.88	-10.00
Davangere	1330	1300	1460	2.31	-8.90
Shimoga	1350	1300	1340	3.85	0.75
Bagalkot	1320	1240	1500	6.45	-12.00
Gadag	1252	1141	1423	9.73	-12.02
Nizamabad	NA	1240	1490	-	-
Khanna	1260	1210	1450	4.13	-13.10
Ludhiana	1200	1150	1400	4.35	-14.29
Sangli	1480	1500	1570	-1.33	-5.73
Gulabgh	1150	1120	NA	2.68	-

## ON THE EXPORT FRONT:

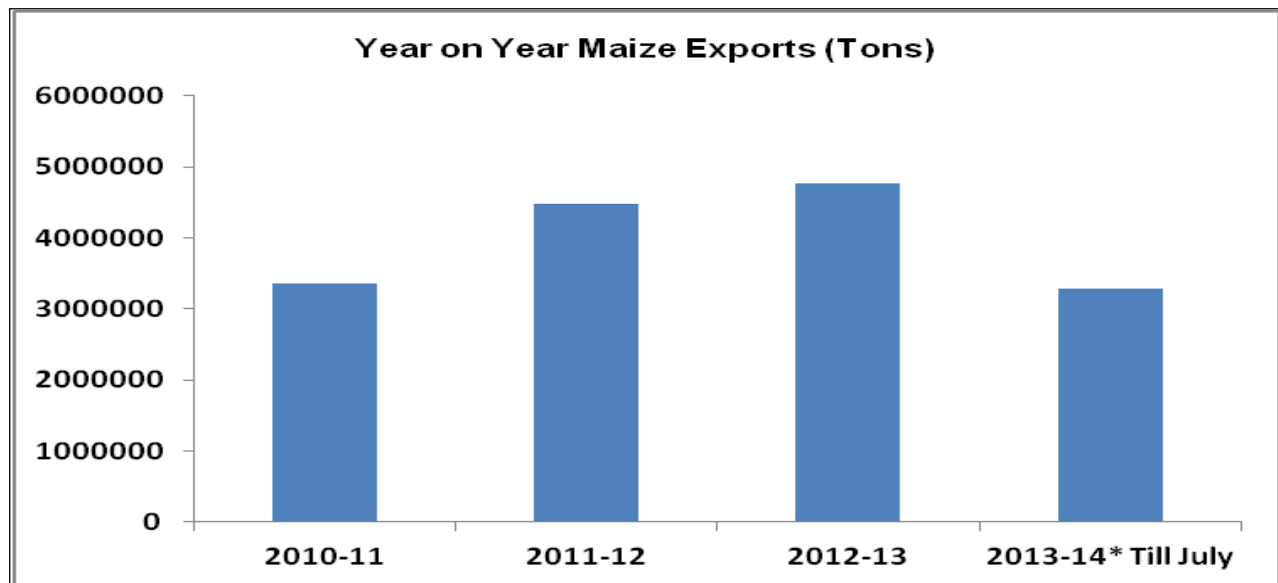


Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 60.851)				
	Argentina	Brazil	US	India
FOB	191.73	183.05	197.64	241
Cost and Freight (C&F)	241.73	238.05	257.64	276

### EXPORT BREAK UP BY MAJOR COUNTRIES DURING THE MONTH OF JULY'14



### YEAR ON YEAR MAIZE EXPORTS





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



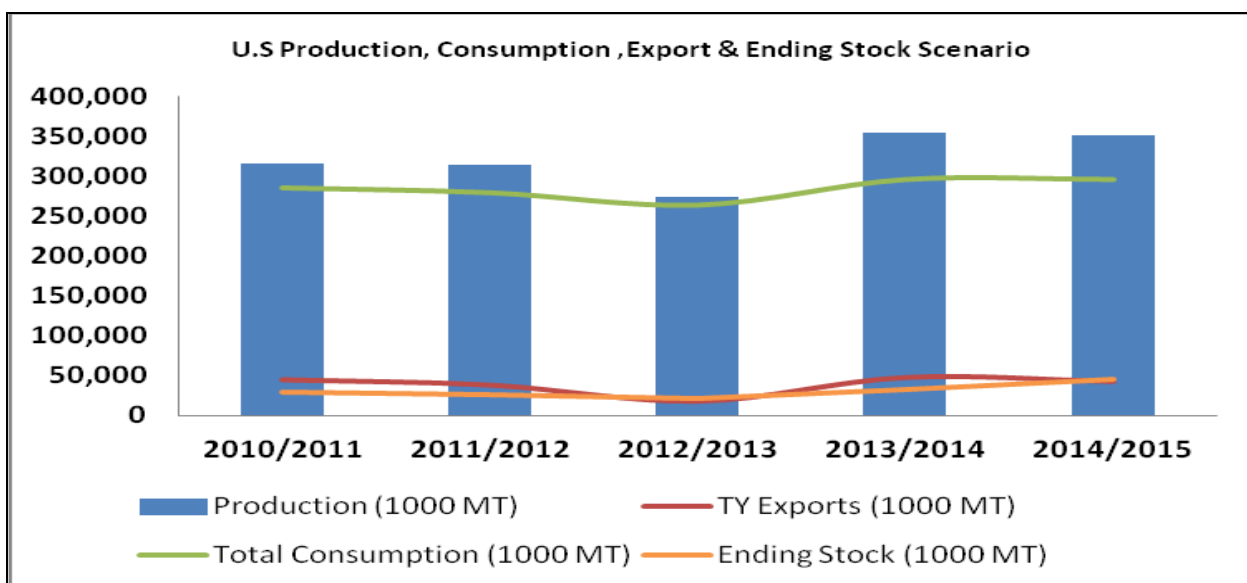
- Candlestick chart pattern reveals bearish situation in the market.
- RSI is moving up in neutral zone.
- Prices closed above 9 and 18 days EMAs.
- Strategy: Buy above 1110 level and target1 and target2 would be 1240, 1290.

Support & Resistance				
S2	S1	PCP	R1	R2
1030	1060	1206	1360	1448

## INTERNATIONAL MARKET SCENARIO:

### U.S.

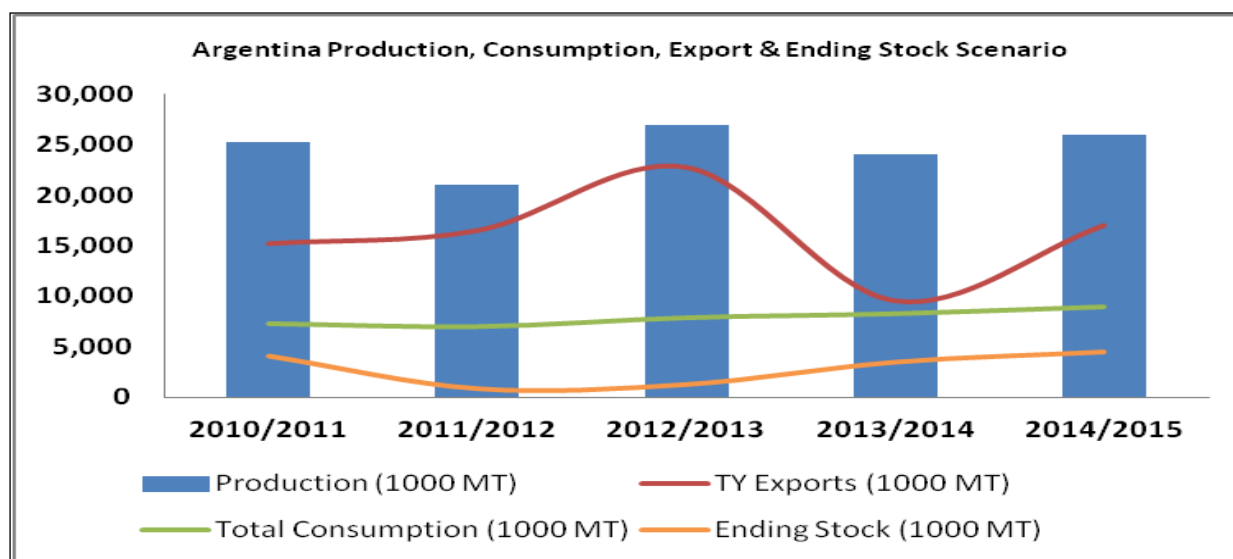
As per USDA, U.S accumulated corn export figures reached to 41,934,205 metric tons for the 2013-14 marketing year. Exports of 865,500 MT were down 13% from the last week and 14% from the prior 4-week average; reported by U.S. to Japan (318,400 MT), Mexico (168,900 MT), South Korea (136,600 MT), Saudi Arabia (71,500 MT), Egypt (50,800 MT), Morocco (26,700 MT), and Panama (21,000 MT) for the period July 18- July 24, 2014.



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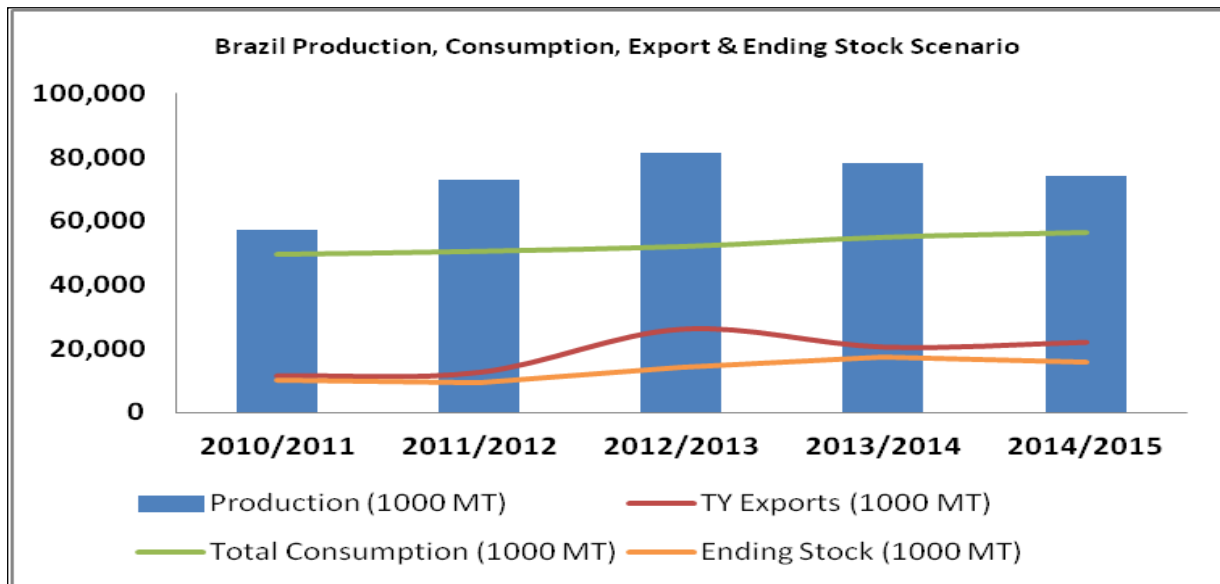
- As per the latest crop progress report released by USDA, 90% crop of corn is at silking stage, higher by 6% from the last year and 2% from the last 5 year average period. 36% crop of corn has been dough, higher by 19% from the last year and 7% from the last 5 year average period. 73% corn crop is in good to excellent condition as of 3rd August, 2014, lower by 2% from the last week but higher by 9% from the last year.
- USDA decreased production forecast by 1.905 million tons to 352.06 million tons for 2014/15 from the last month forecast. Also, decreased consumption forecast by 1.27 million tons to 295.542 million tons but ending stock increased by 1.905 million tons to 45.756 million tons for 2014/15.

### ARGENTINA



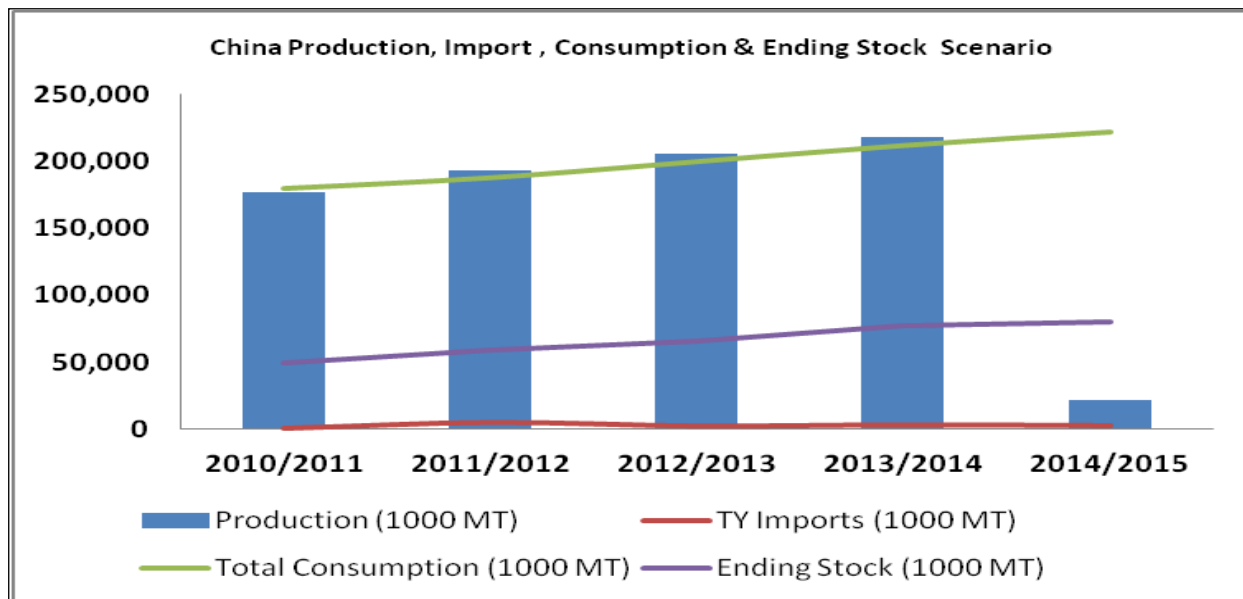
- USDA kept unchanged its ending stock estimates for Argentina at 4.535 million tons from the previous month estimates for 2014/15.

## BRAZIL



- Government crop supply agency Conab raised its corn crop production forecast for Brazil for 2013/14 to 78.2 million tons from previous month's outlook of 77.89 million tons, citing better-than-expected yields but total corn output is still expected to be less than last year's record 81.5 million tons as farmers planted fewer corn fields amid low local prices for the grain.
- USDA raised production forecast by 2 million tons to 78 million tons for 2013/14 from the last month forecast; resulted increase in ending stock to 17.45 million tons for 2013/14 and 15.75 million tons for 2014/15.

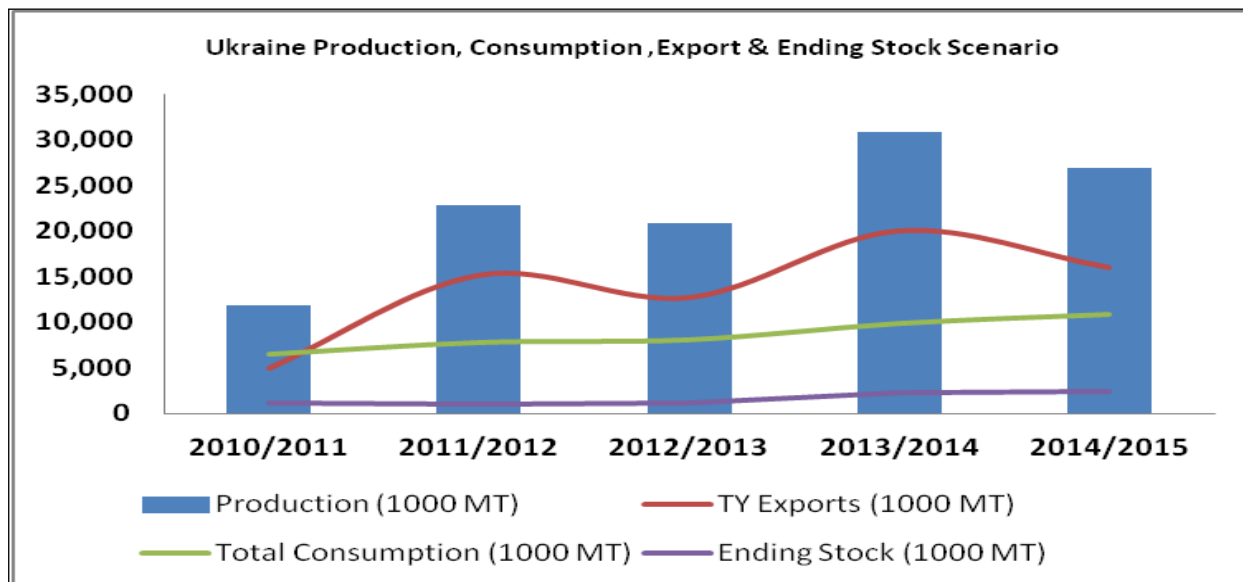
### CHINA



- As per Reuters news, China's Import Inspection Authority, AQSIQ, is now requiring U.S. distiller's dried grains imports to be officially certified free of the MIR 162 GMO trait.
- USDA increased corn production forecast by 2 million tons to 222 million tons from the last month forecast for 2014/15.

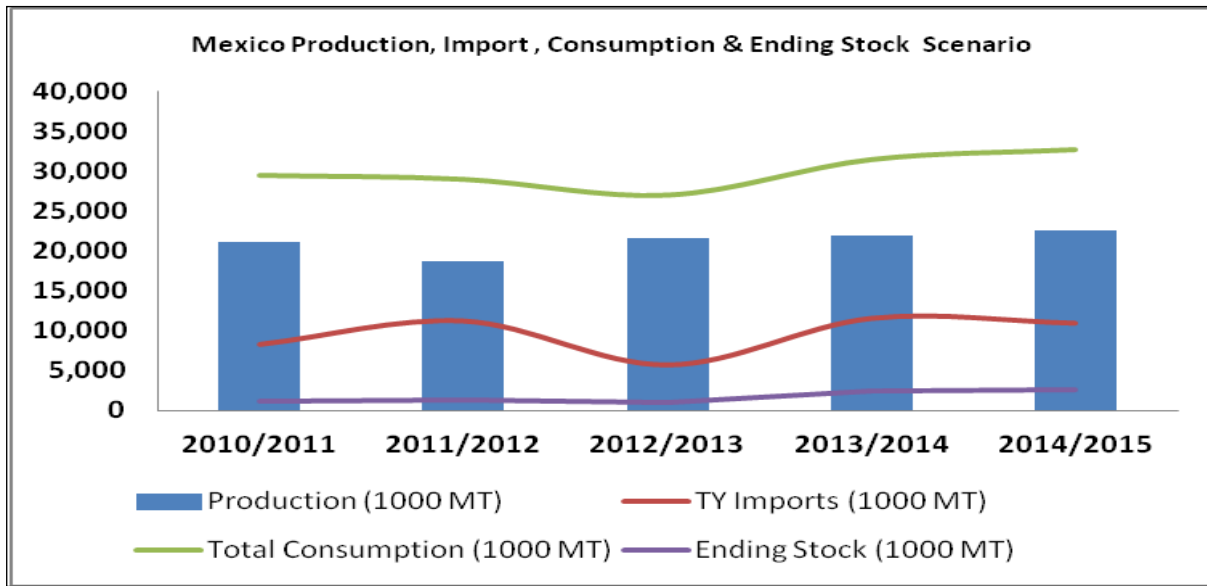
### UKRAINE

- USDA kept unchanged its corn production forecast at 27 million tons for Ukraine for 2014-15.



### MEXICO

- USDA unchanged corn ending stock forecast for Mexico at 2.611 million tons for 2014/15 as compared to last month forecast.



### INTERNATIONAL CORN HIGHLIGHTS

- IGC latest release says that corn plunged 14 percent in July, the most since September 2011. World harvests of the grain and wheat will be larger than expected in June as prospects improve for crops from the U.S. to Russia, boosting global cereal stockpiles to a 15-year high, according to latest release from International Grains Council.
- The U.S. Department of Agriculture raised its estimates on global stockpiles for corn last month, signaling a growing glut. Bigger crops are helping to keep food inflation in check. Supplies are swelling at a time when the World Bank has cut its outlook for global expansion, signaling weaker demand for grains.
- South Africa is going to harvest bumper maize crop this season, however farmers may stand to lose because of lower price this year. Total production may touch 13.5 million tons this year against the domestic requirement of 10 million tons. Higher production in South Africa and consequently higher availability for global market may pressurize maize price further.
- However, carryout stock is lower in South Africa and efforts to offload maximum surplus stock may decrease actual realization in comparison to last year. Consumers like poultry industry and other end-users of maize were set to benefit. Consumers would, however, have to wait for three to four months before seeing a drop in processed maize prices in stores. Weakening rand to the dollar exchange rate may increase domestic import.
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.8% in the May'14 from 42% during the same month last year as

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users' reliance on alternatives such as sorghum, wheat and barley decreased. (Source: Reuters)

- As per USDA, Global 2014/15 corn ending stocks are projected 5.4 million tons higher with increases for China, Brazil, and the United States more than offsetting the Canada reduction.

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

- European traders told that South Korea's Korea Corn Processing Industry Association purchased 55,000 tons of corn (containing genetically-modified organisms) at \$231 a ton c&f from Concordia for arrival around Dec. 1. Also, Nonghyup Feed Inc. purchased about 4,000 tons corn gluten feed; sourced in China at \$246.00 and \$252.00 for arrival by Sept. 10-20. (Source: Reuters)

<b>Maize CBOT Monthly Futures Price Listing (USD/MT)</b>				
	<b>Contract Month</b>	<b>30.7.2014</b>	<b>27.6.2014</b>	<b>Change</b>
Corn CBOT Prices	<b>Sep-14</b>	142.29	174.36	<b>-32.07</b>
	<b>Dec-14</b>	146.03	174.07	<b>-28.04</b>
	<b>Mar-15</b>	150.75	176.04	<b>-25.29</b>
	<b>May-15</b>	154.00	180.27	<b>-26.27</b>

## OUTLOOK:

Corn prices on CBOT market decreased on the expectations for record-large yields as the weather has remained nearly perfect during the pollination phase which is key for yields. Besides, new import restrictions for distillers' dried grains in top buyer China also ease the corn on CBOT.

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