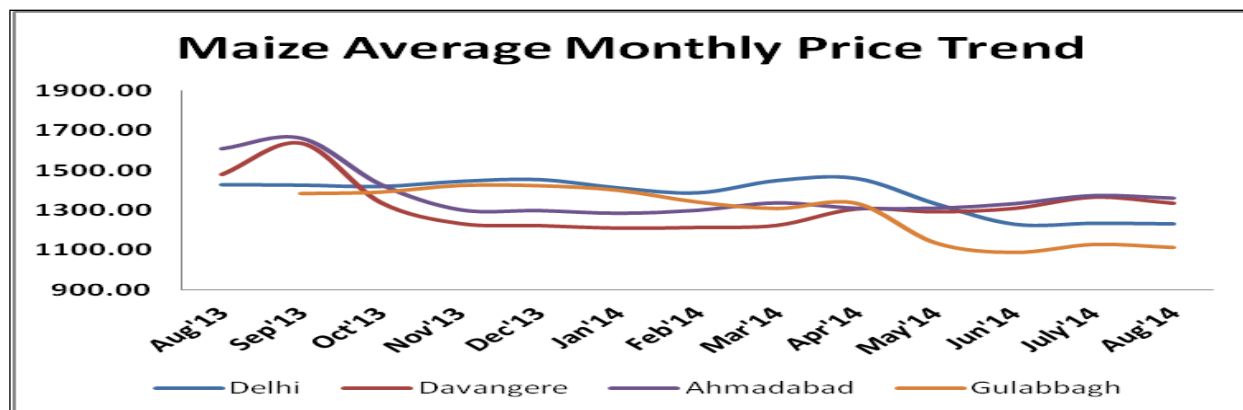


## EXECUTIVE SUMMARY:

Overall steady to slightly weak sentiments witnessed in the major spot markets of maize during the month of August as sluggish export demand due to disparity and improvement in weather conditions weigh on market sentiments.



Emerging scenario in maize is not encouraging for domestic players in the month of Sept, especially for bull operators and stockists. Higher stock against lower demand and better production prospects from incoming crop, likely to hit the market in Oct, continues to restrict any possibility of sudden spike. Export demand is almost nil due to huge gaps between global and Indian FOB prices (\$55 to 60 per ton). Ample availability of stock in global market and possibility of 973 million tons global production in 2014-15 (according to IGC latest estimate) supported by higher carryout (190 million tons, 3 million tons higher than July estimate) would continue to restrict Indian export volume in the months ahead.

More dip is expected in September and market may stabilize near Rs 1030-1050 per qtl. in future market. As gap in FOB quotes is higher than \$50 per ton, south Indian feed miller may analyse the possibility of import from US, Argentina and Brazil or wait for new arrivals.

As it is lean season more dip beyond Rs 50 per qtl. seems a remote possibility in Sept. However, more dip might be seen from mid October by then new crop would start hitting the market.

During the month of August, in Ahmadabad region of Gujarat, poultry feed makers quotes for maize were down by Rs. 35 per quintal to Rs. 1350-1415 per quintal while starch feed makers quotes were down by Rs. 20 per quintal as compared to last month, in a range of Rs. 1300-1390 per quintal, sourced from U.P.

At the time, Maize is moving towards Kolkata at Rs. 1250-1300 per quintal, sourced from Naugachia region of Bihar. Meanwhile, it is moving towards Bangalore, Nammakal and Chitradurga at Rs. 1400 per quintal, 1500 per quintal and Rs. 1350 per quintal respectively, sourced from Davangere.

**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)	2.17	2.48	2.17	6.73	3.70	3.82
Production (MMT)	21.86	20.73	12.70	3.18	4.78	1.20
Farmer's Release (MMT)	15.26	14.46	7.45	3.19	3.23	1.39
Govt. Procurement (MMT)	1.09	1.09	0.49	0.60	0.00	0.00
Pvt. Trade Release (MMT)	14.17	13.37	3.34	6.21	2.77	1.85
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>24.04</b>	<b>23.22</b>	<b>14.88</b>	<b>3.18</b>	<b>4.78</b>	<b>1.21</b>
Export (MMT)	3.70	3.70	0.65	1.20	1.44	0.40
Domestic Consumption (MMT)	17.86	17.30	7.50	5.00	3.22	2.14
<b>Total Demand (MMT)</b>	<b>21.56</b>	<b>20.99</b>	<b>8.15</b>	<b>6.20</b>	<b>4.66</b>	<b>2.55</b>
<b>Ending Stock (MMT)</b>	<b>2.48</b>	<b>2.23</b>	<b>6.73</b>	<b>3.70</b>	<b>3.82</b>	<b>2.48</b>

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

- *All figures in million tons*

**MAIZE- PRELIMINARY PRODUCTION ESTIMATES & WEATHER**

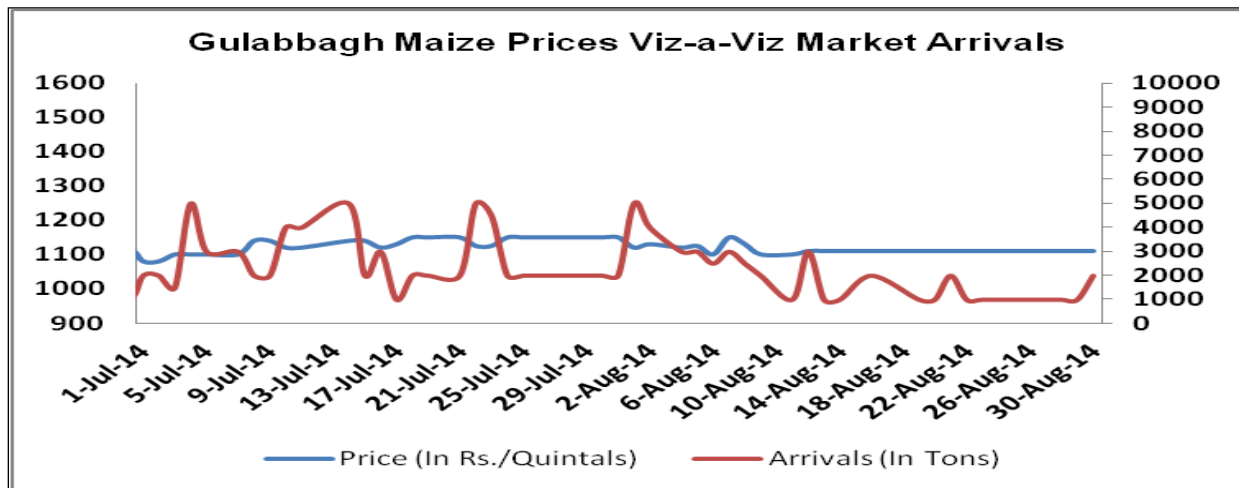
States	Area in '000 Ha. (last year)	Cumulative Rainfall Distribution % (1st Jun to 3rd Sep'14)	Current Period of sowing	Sowing Data as per Government as of 29th Aug'14 ('000 hectares)	5 year Av. Prod ('000 tons)	Production Forecast ('000 tons)	Area under Normal condition
Andhra Pradesh	622	-30%	Jun first week	524.7	1627.9	1478.01	85.00%
Bihar	467	-16%	Jun mid week	428	551.7	824.24	100.00%
Gujarat	349	-20%	July Mid Week	309.4	535.7	391.30	90.00%
Karnataka	1299	11%	Jun first week	1154	3365.6	2959.52	90.00%
West Madhya Pradesh	1003	-14%	July First Week to Mid Week	1055	1205.1	1410.17	105.00%
Maharashtra	955.5	-14%	July First Week to Mid Week	740.8	1933.8	1762.24	78.00%
East Rajasthan	966.6	-3%	July Mid Week	962.3	1579	1321.82	100.00%
Uttar Pradesh	813	-48%	July First Week to Mid Week	714	1126.7	1018.25	90.00%
All India	8224.8			7597	15360.2	14529.8	

- 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 is moving towards Kolkata at Rs. 1250-1300 per quintal on delivered basis sourced from Naugachia region of Bihar. Higher carry forward stock amid lower export demand could keep prices under pressure.

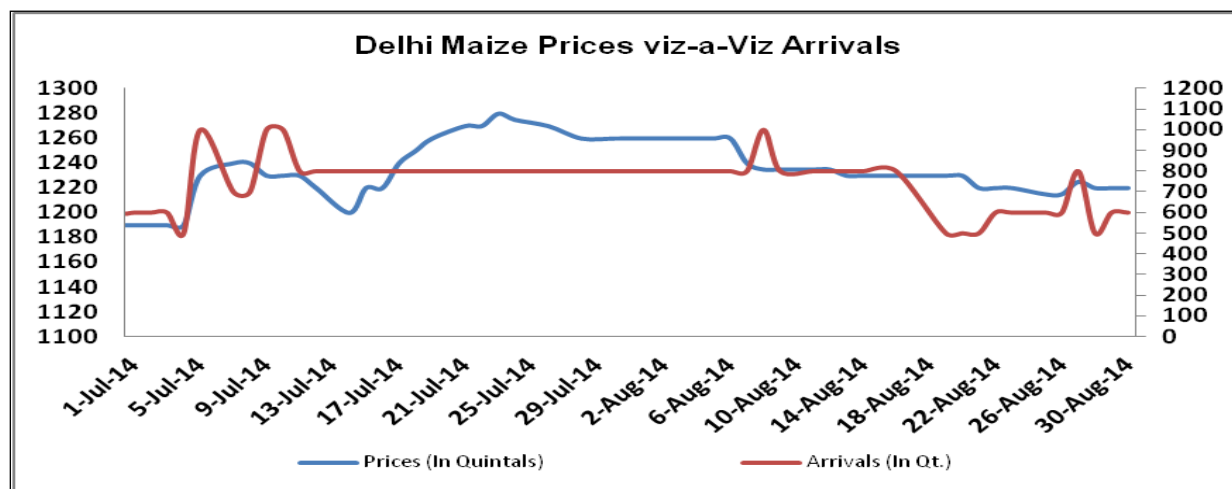


### ANDHRA PRADESH

As per trade sources, government of A.P. has quantity of maize around 0.23 million tons. Besides, private traders have around 0.1 million tons stock of maize at this time. Crop conditions are favourable at this time. However, some area of maize has shifted towards soybean. Maize is likely to trade steady to weak for the near term.

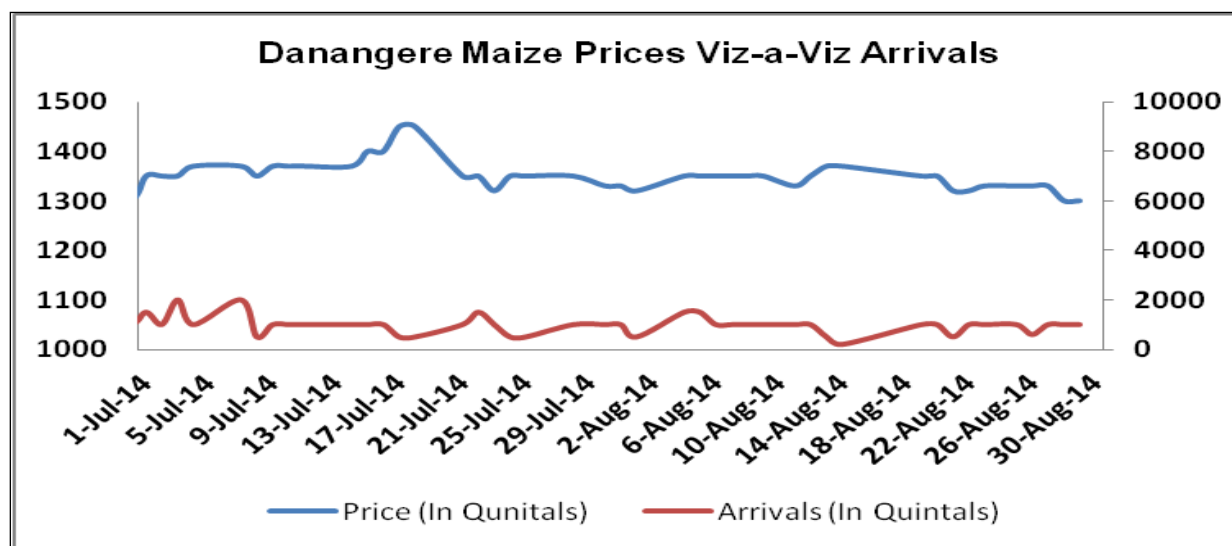
## DELHI

In Delhi, hybrid maize is quoting at Rs. 1220 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 0.50 million tons. Market is expected to move range bound. Currently, maize is moving towards Bangalore, Nammakal and Chitradurga at Rs. 1400 per quintal, 1500 per quintal and Rs. 1350 per quintal respectively, sourced from Davangere.



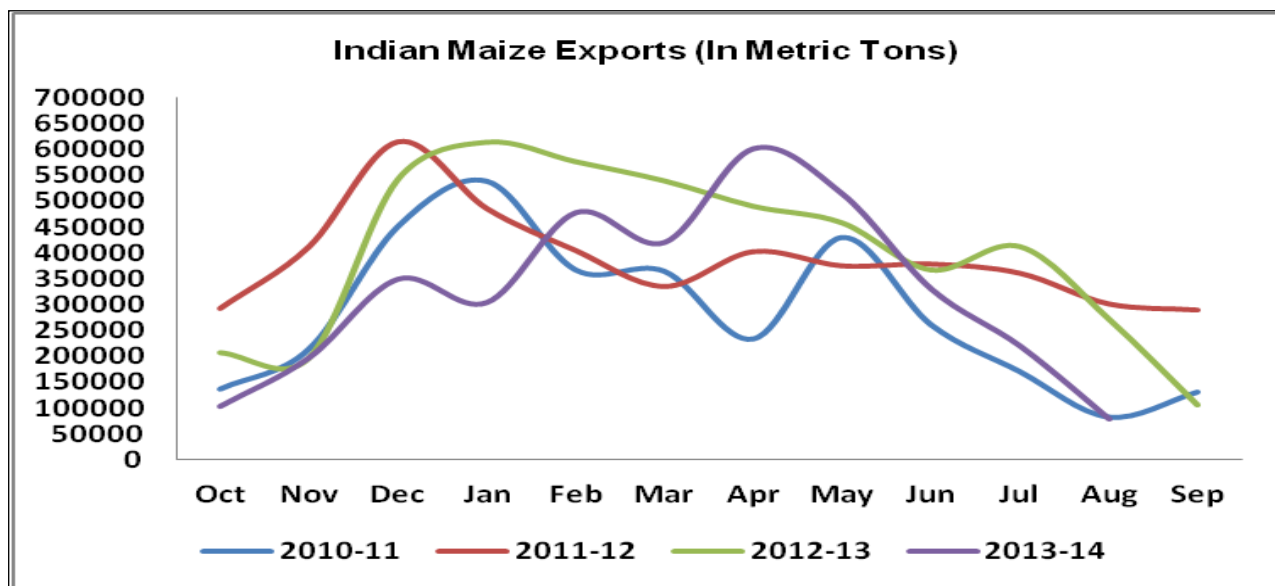
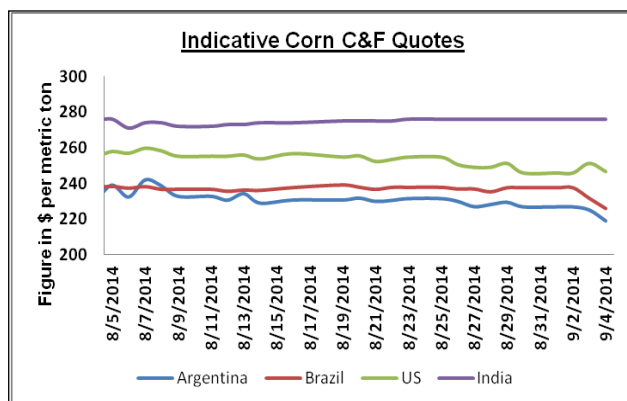
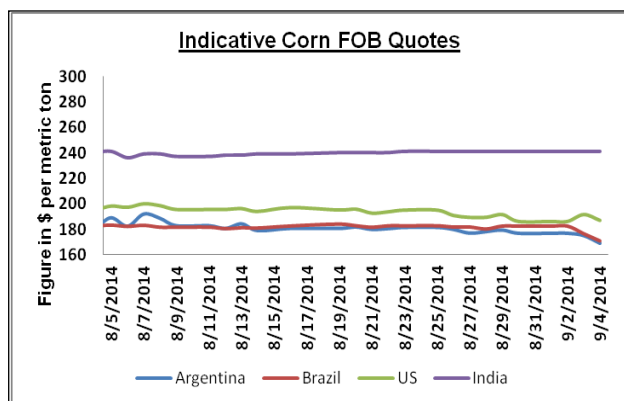
Month-wise Average prices of Maize at various markets					
Market	2014-Aug	2014-July	2013-Aug	% Change from Prev. Month	% Change from Prev. Year
Delhi (U.P. Origin)	1220	1260	1472	-3.17	-17.12
Davangere	1300	1330	1500	-2.26	-13.33
Shimoga	1350	1350	1290	Unch	4.65
Bagalkot	1405	1320	1501	6.44	-6.40
Gadag	1129	1252	1425	-9.82	-20.77
Nizamabad	NA	NA	1550	-	-
Khanna	NA	1260	1417	-	-
Ludhiana	1200	1200	1460	Unch	-17.81
Sangli	1480	1480	1650	Unch	-10.30
Gulabgh	1110	1150	1370	-3.48	-18.98

#### PRICE OUTLOOK:

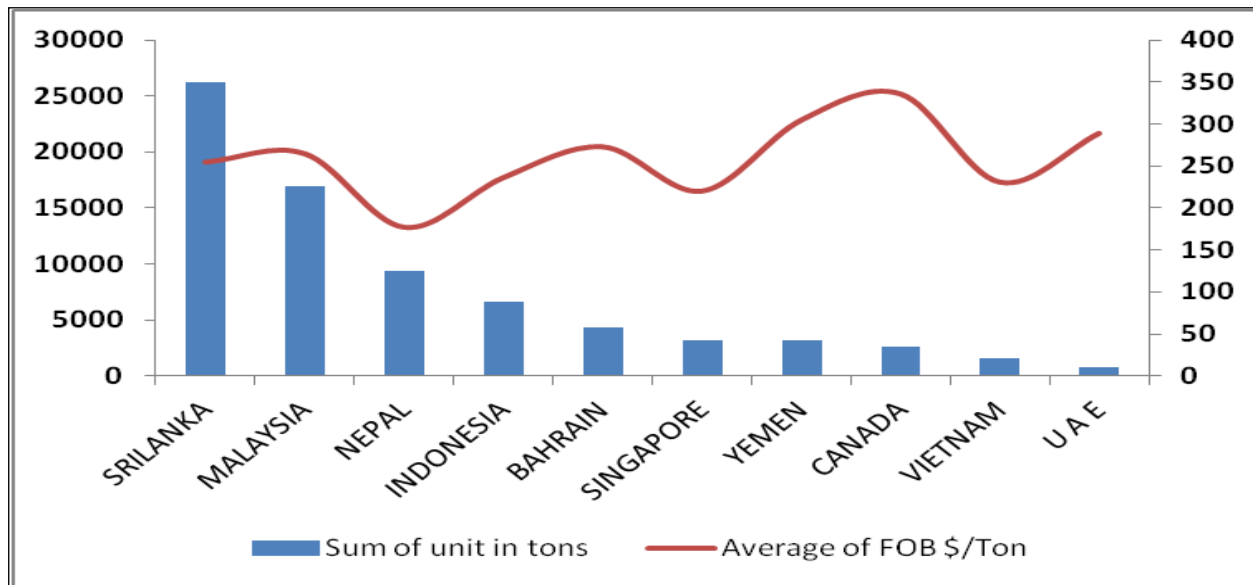
For the month of September, we expect that maize prices could be in range with weak bias likely to continue. Higher carry forward stock amid sluggish export and domestic demand of poultry feed makers could keep prices under pressure. Poultry feed makers have decided to reduce the production over next few weeks to restrain losses and move the process of live chicken upward. Besides, expectation of higher crop production in U.S could also weigh on market sentiments but any major dip from above given range (1030-1050) is unlikely and market is expected to stay steady as delayed harvesting could provide some support at lower level.

September 5th, 2014

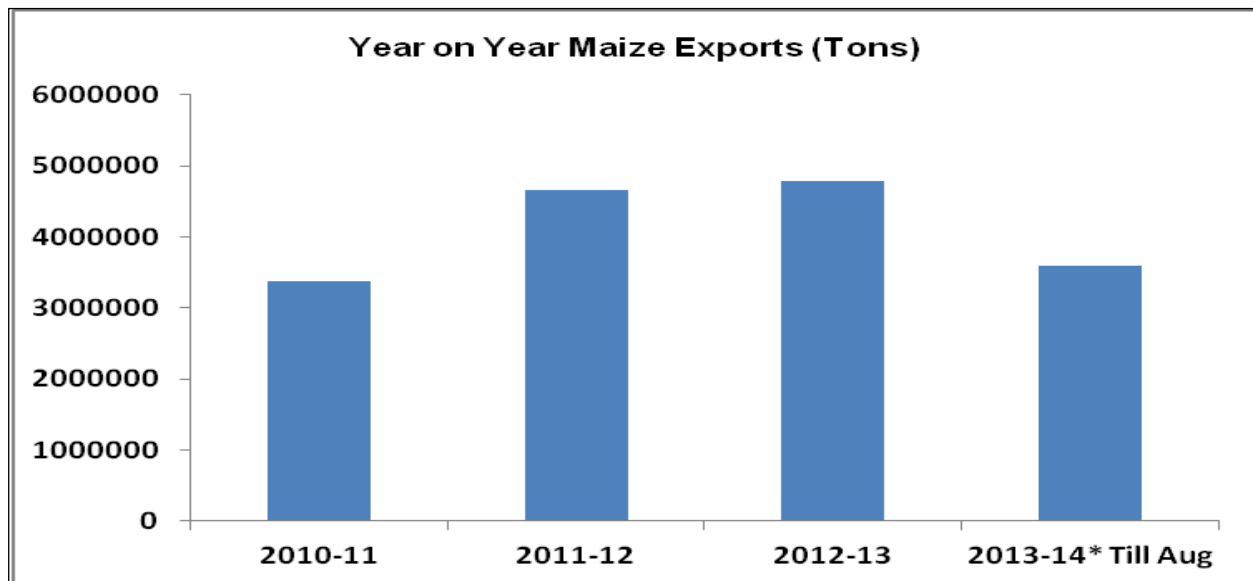
## ON THE EXPORT FRONT:



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



### YEAR ON YEAR MAIZE EXPORTS



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 60.4540)				
	Argentina	Brazil	US	India
FOB	169.19	171.15	187	241
Cost and Freight (C&F)	219.19	226.15	247	276



September 5th, 2014

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



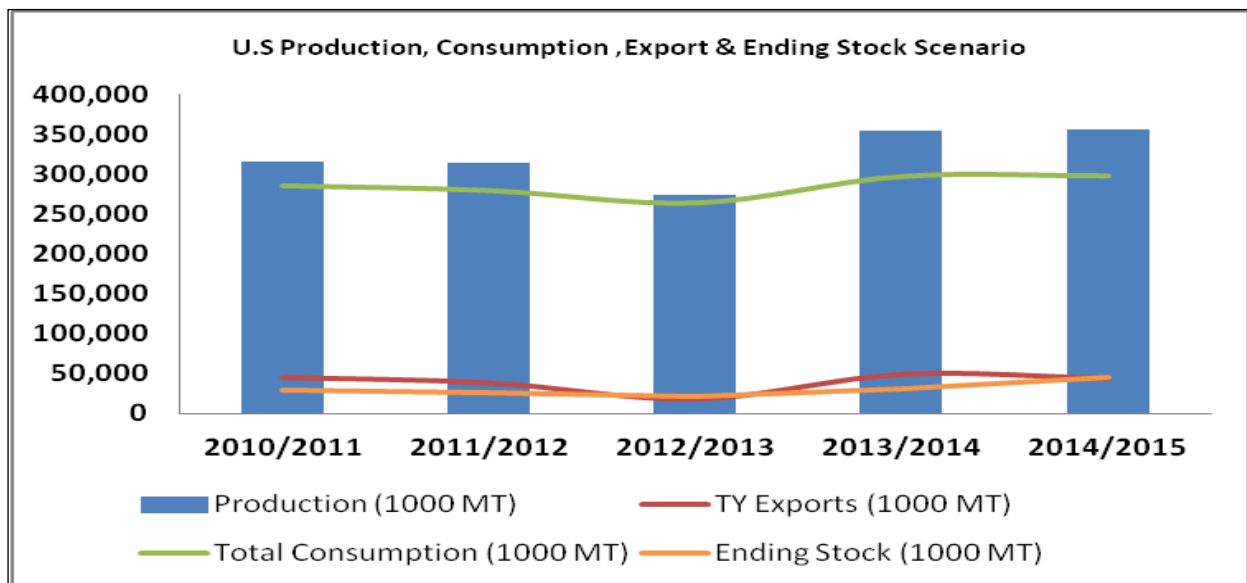
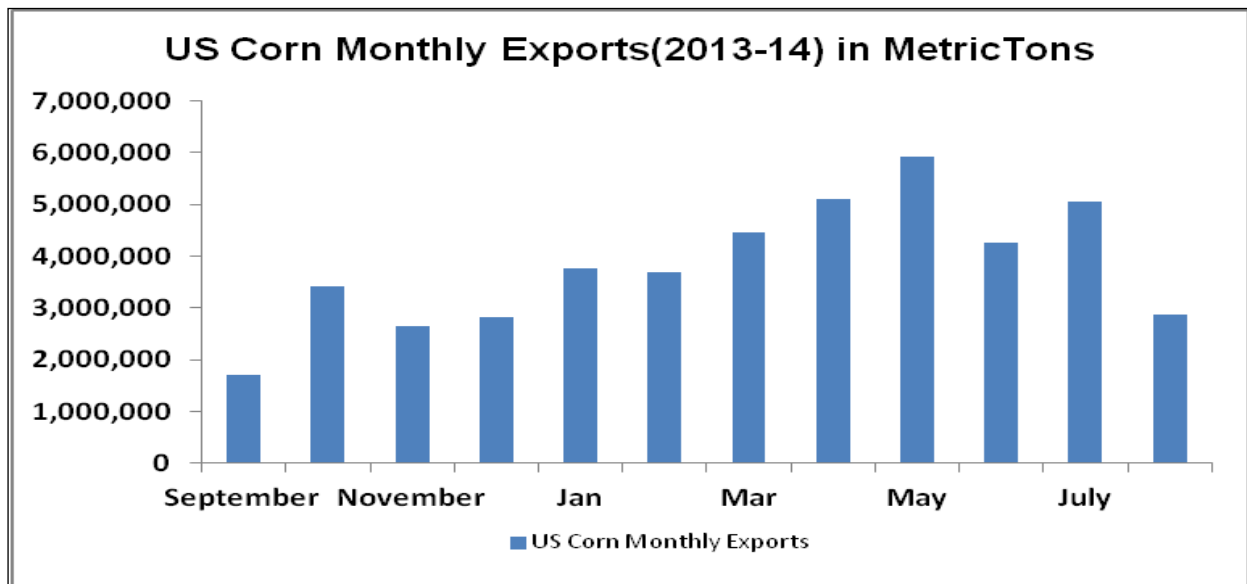
- Candlestick chart pattern reveals bearish situation in the market.
- RSI is moving down in oversold region.
- Prices closed below 9 and 18 days EMAs.
- Strategy: Sell on rise and target1 and target2 would be 1059, 1039.

Support & Resistance				
S2	S1	PCP	R1	R2
990	1030	1142	1172	1194

### INTERNATIONAL MARKET SCENARIO:

#### U.S.

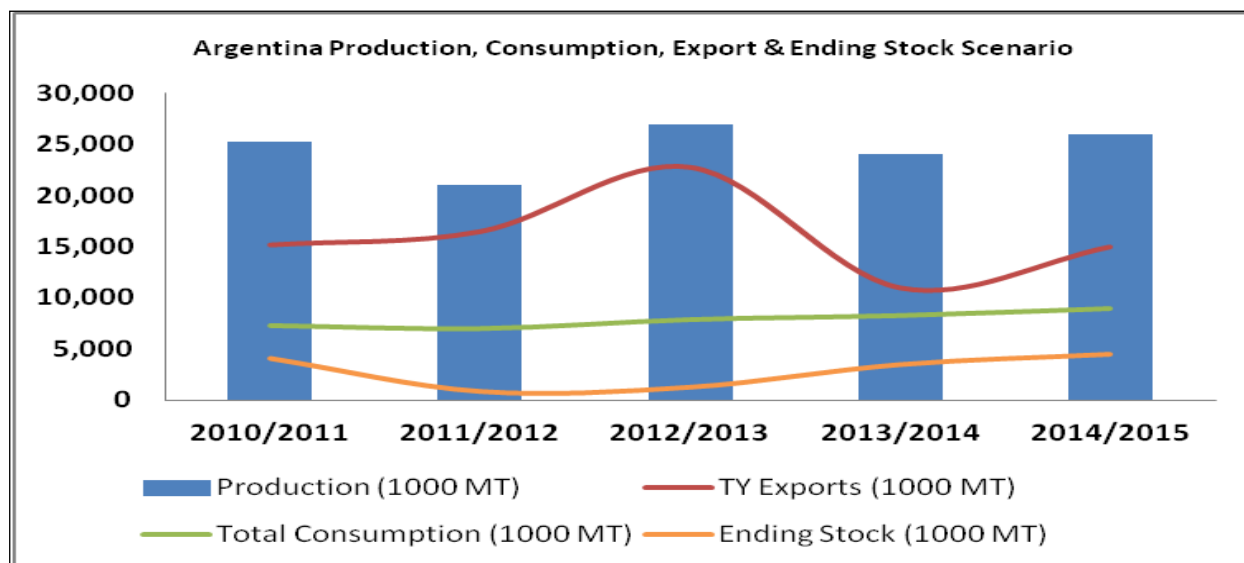
As per USDA, U.S accumulated corn export figures reached to 45,845,059 metric tons for the 2013-14 marketing year. Exports of 10,02,700 MT were down 10% from the last week but up 6% from the prior 4-week average; reported by U.S. to Japan (278,900 MT), Mexico (262,200 MT), South Korea (224,500 MT), Colombia (65,100 MT), Peru (46,000 MT), the Philippines (43,400 MT), and Canada (28,300 MT) for the period Aug 15- Aug 21, 2014.



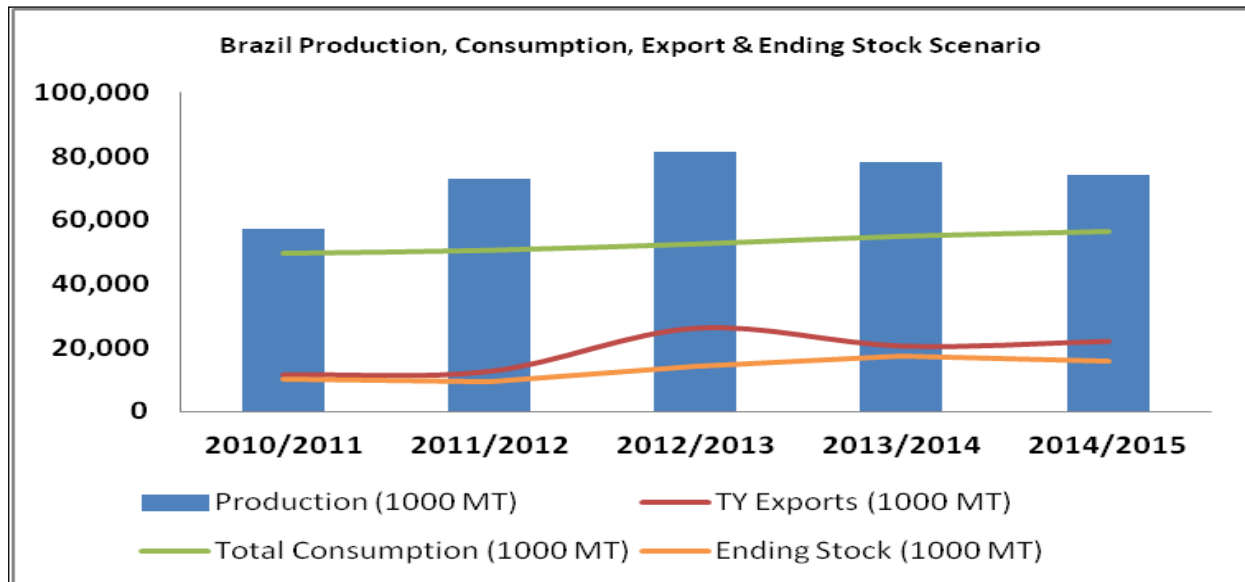
September 5th, 2014

- As per the latest crop progress report released by USDA, 90% crop of corn has been dough, higher by 8% from the last year and 1% from the last 5 year average period. Besides, 53% crop of corn has been dented, higher by 14% from the last year but below 6% from the last 5 year average period. 8% crop has matured, higher by 4% from the last year but below 8% from the last 5 year average period. 74% corn crop is in good to excellent condition as of 31st August, 2014, higher by 1% from the last week and 18% from the last year.
- Lanworth lowered its corn production forecast for U.S by 0.032 billion bushels to 14.734 billion bushels for 2014 from the last month as it reduced yield forecast to 174.5 bpa but above the USDA latest figures. The USDA this month projected the U.S. corn yield at 167.4 bpa, above the historic 2009 high of 164.7, and production at 14.032 billion bushels. Besides, Informa Economics raised its U.S. corn production forecast for 2014 to 13.988 billion bushels, from 13.731 billion bushels in the last month. (Source: Reuters)
- As per USDA, corn ending stocks for U.S are forecasted higher by 0.176 million tons to 45.932 million tons for 2014/15 from the last month forecast. While, exports are expected to increase by 1 million tons to 44 million tons for 2014/15 from the last month forecast.

## ARGENTINA

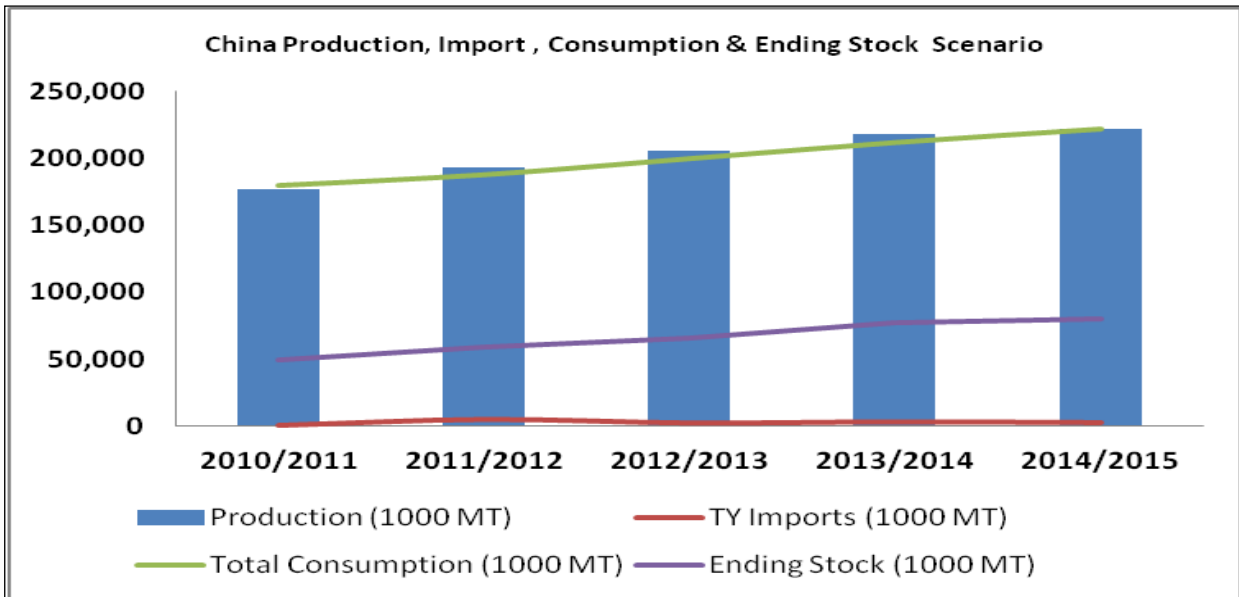


- The Buenos Aires Grains Exchange said that Argentine farmers are likely to reduce the planting area of corn by 10 percent to 3.2 million hectares in the 2014/15 season due to low international prices for the crop and high sowing costs. (Source: Reuters)
- USDA decreased its export estimates for Argentina by 2 million tons to 15 million tons from the previous month estimates for 2014/15.

BRAZIL


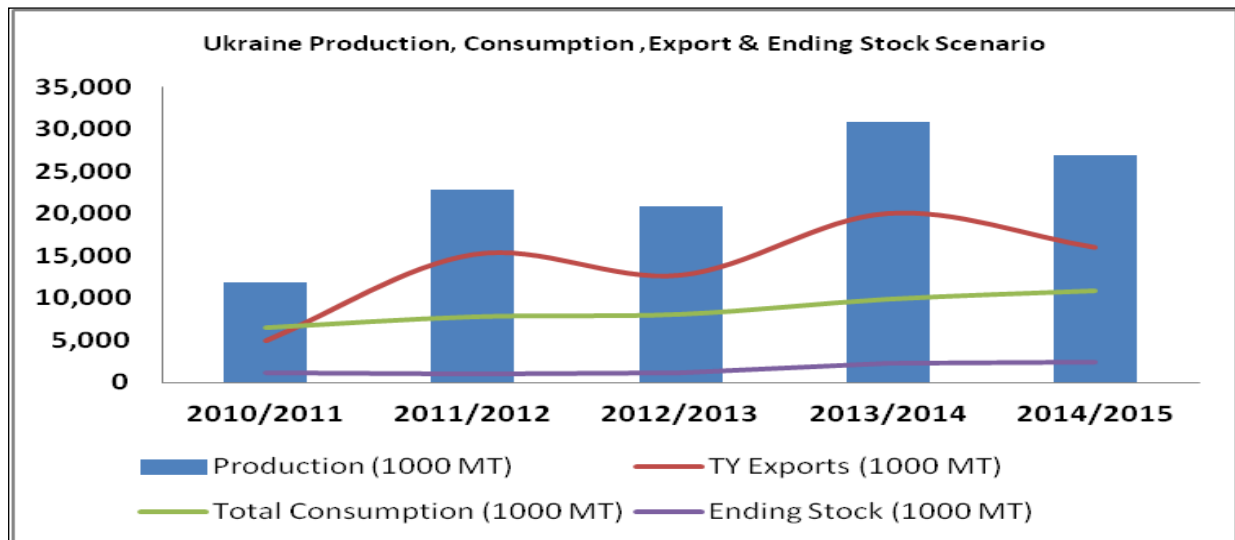
- The Agriculture Ministry's Conab crop supply agency raised its production forecast for Brazil's 2013/14 corn crop by 0.35 million tons to 78.55 million tons from the last month forecast. Corn exports from Brazil are likely to be 21 million tons from the 2013/14 crop. (Source: Reuters)
- According to an official announcement in Brazil's Federal Register, Brazil's government approved 500 million reais (\$218 million) in corn subsidies for farmers. (Source: Reuters)
- USDA kept unchanged its production forecast at 74 million tons for 2014/15 from the last month forecast.

## CHINA



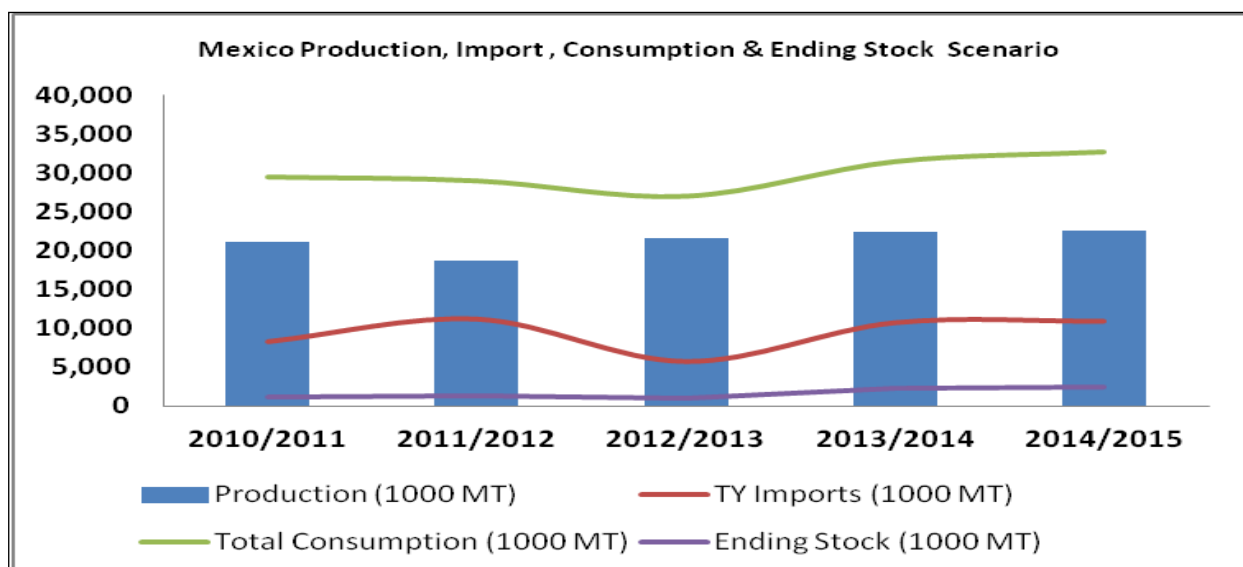
- The CNGOIC slightly cut its estimate for China's 2014 corn output to 222.3 million tons due to drought in central China, still higher by 1.7 percent from the last year as higher overall planted acreage this year compensates for any damage to crops. (Source: Reuters)
- USDA kept unchanged its corn production forecast at 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 from the last month.

## MEXICO



- As per USDA, Private exporters reported the sale of 107,600 tons of U.S. corn to Mexico and 130,000 tons of U.S. corn to unknown destinations, both for 2014/15 delivery.
- USDA decreased its corn ending stock forecast for Mexico by 02 million tons to 2.411 million tons for 2014/15 as compared to last month forecast.

## INTERNATIONAL CORN HIGHLIGHTS

- The International Grains Council raised its world corn production forecast by 4 million tons to 973 million tons, from last month's forecast but still below the prior seasons record 982-million ton harvest.
- As per USDA, Global corn ending stocks are projected at 192.53 million tons for 2014/15 and 172.85 million tons for 2013/14. While, as per IGC global corn ending stock are projected at 190 million tons for 2014/15.
- According to the Trade Ministry, the Dau Tu (Investment) newspaper reports, Vietnam has spent \$681 million to import nearly 2.7 million tons of corn in the first seven months of 2014, a rise of 137.2 percent in value from the last year as imported corn is still priced lower than domestic corn. (Source: Reuters)
- Preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.6% in the June'14 from 42% during the same month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased. (Source: Reuters)
- USDA kept unchanged its production and export & import estimates for Argentina, South Africa and China' crop of corn for 2014/15 from the last month estimates.

Corn (mln tons)	Aug (2014/15)	July (2014/15)	Aug (2013/14)
Argentina Crop	26	26	24.00
Argentina Exports	16.00	16	13.50
S.Africa Crop	13.5	13.5	14.75
S.Africa Exports	2.20	2.20	3
China Crop	222.00	222	218.49
China Exports	0.1	0.1	0.1
China Imports	3	3.00	3.5

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

- As per Korean traders, The Korea Feed Association purchased 63,000 tons of corn from CJ Int'l, Brazil, at \$218.50 a ton c&f, likely to be arrive at the port of Incheon. Besides, South Korea's Korea Corn Processing Industry Association purchased 55,000 tons of corn from Bunge at \$226.45 a ton c&f, including a surcharge for unloading at a second port for the arrival by Dec. 25, 2014. While, South Korea's Feed Leaders Committee purchased 60,000 tons of feed corn at \$219.49 a ton c&f plus \$1.50 surcharge for extra port unloading for Jan. 25, 2015 arrival.
- European traders told that South Korea's Korea Corn Processing Industry Association purchased 55,000 tons of corn from Vitol at \$224.97 a ton c&f for arrival around Jan. 15, 2015. The price includes surcharges for extra port unloading. Besides, Taiwan's maize industry procurement association has purchased 60,000 tons of corn from Glencore, to be sourced Brazil for the shipment between Oct. 5 and Oct. 24. Some 58,125 tons was purchased at a basis price comprising a premium of 196.50 U.S. cents a bushel c&f over the Chicago December corn contract. The rest was purchased at the outright price of \$221.50 a ton c&f.

September 5th, 2014

- As per Reuters news, South Korea's largest animal feed maker Nonghyup Feed Inc purchased 65,000 tons of feed corn from Bunge at \$219.37 a ton c&f for arrival on Jan. 20.
- European traders told that South Korea's Major Feedmill Group has purchased 110,000 tons of corn from BTG at \$223.21 a ton c&f plus a \$1.50 a ton surcharge for additional port unloading. 55,000 tons was for Dec. 31, 2014, arrival and another 55,000 tons for Jan. 13, 2015 arrival.

<b>Maize CBOT Monthly Futures Price Listing (USD/MT)</b>				
	<b>Contract Month</b>	<b>29.8.2014</b>	<b>30.7.2014</b>	<b>Change</b>
Corn CBOT Prices	<b>Sep-14</b>	141.30	142.29	<b>-0.99</b>
	<b>Dec-14</b>	143.57	146.03	<b>-2.46</b>
	<b>Mar-15</b>	148.68	150.75	<b>-2.07</b>
	<b>May-15</b>	151.93	154.00	<b>-2.07</b>

### OUTLOOK:

Corn prices on CBOT market are likely to remain down on the expectation of huge corn crop.

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