

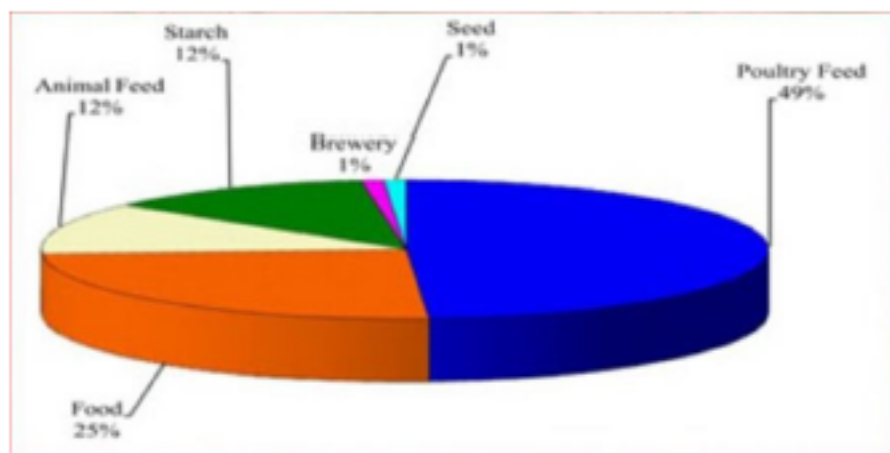
## India corn may continue to fall on new supply, weak demand

Indian corn futures are expected to fall due to supplies from the new season crop, prospects of higher production and sluggish demand from overseas buyers.

Corn production is expected to be higher than in the previous year, but excessive rains in parts of Andhra Pradesh, one of the leading cultivating states, have raised concerns about the quality of the crop.

Most of the new season supply is going to the starch and poultry sector as the quality is not fit for exports. Also, overseas buyers want Indian corn at very low prices. Around 48 percent of the demand for maize is projected to come from poultry feed, while human consumption and the processing sector account for the rest.

China, the world's second largest corn consumer, expects corn output in 2013/14 to rise 5.9 percent on year to a record 217.7 million tonnes, surpassing consumption, seen at 197 million.



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Prices are expected to fall further as demand is weak and supplies would continue to rise. The January contract for maize ended down 0.32 percent at 1,238 rupees per 100 kg (\$5.14 per bushel) on the National Commodity and Derivatives Exchange, after hitting a low of 1,221 rupees, its weakest level since Oct. 17.

Internationally, prices of corn remained weak. Corn came under pressure after a group of 10 U.S. senators introduced a bipartisan bill on Thursday to eliminate the corn ethanol mandate, arguing that the current law pushes up the cost of food and animal feed and damages the environment. Further, China held up some U.S. corn shipments after saying unapproved genetic strains were found. This has also led to weakening of the prices.