

Maize Domestic Market Fundamentals:

- **Mixed sentiment was witnessed in domestic maize market on another day.**
- Lower arrivals and lagging rains continue to be the supportive drivers for the price which offset the impact of weak export demand.
- India's key monsoon rains were 25% below normal in the week to 6 July, a sharp reversal from the 10% above average rains in the previous week as put by the weather office, reflecting a predicted lull in the monsoon's progress.
- While major fundamental scenario remains same, rainfall lags behind in major Maize growing states of Karnataka, Andhra Pradesh and Maharashtra, which covers about 31.17% of the total Maize Area.
- Price spread between Maize and Wheat remain negative (as compared for Delhi market), depicting attractiveness of Maize over Wheat, as seen on the demand front on week on week basis. This is likely to boost the demand for Maize in comparison to the later.
- In Bihar, reportedly sentiment remains lukewarm as market participant anticipate price to remain range bound. While excessive rains there have caused damage to the maize, corresponding demand from starch industry originating from places like Gujarat and Uttaranchal becomes a supportive factor. Conclusively the offsetting impact is likely to cap the prices in a formed range.

International Market Fundamentals:

- US corn futures finish stronger on expectations for continued demand from China. USDA stated that exporters sold 540,000 metric tons of corn to the Asian nation and 300,000 metric tons to an unknown destination. Traders suspect China was the unknown buyer in both cases as the country ramped up purchases following a break in prices. CBOT December corn rises 7c to \$6.15 1/2 a bushel.

Outlook:

We feel that prices may gather support at lower levels. Depleting stock levels in the market amid good demand from the poultry feed users is likely to be the supportive driver. Disruption in arrivals due to rains also lay support beneath prices.

Spot Prices at Key Markets :

Market	Grade	Prices (Rs./qtl)			Arrivals in bags (1 bag = 1 Qtl)		
		08.07.2011	07.07.2011	Change	08.07.2011	07.07.2011	Change
Delhi	Hybrid	1100	1120	-20	500	-	-
Nizamabad	Bilty	1280	-	-	-	-	-
Karimnagar	Bilty	-	-	-	-	-	-
Davangere	Bilty	-	1060	-	-	-	-
Naughachia	Bilty	950-1000	970-1000	Unch	200	100	+100
Gulab Bagh	Bilty	-	-	Unch	-	-	-
Kolkata	Mill	1125-1150	1125-1150	Unch	300	300	Unch
Ahmadabad	Feed	1280	1210-1240	+40	2000	3000	-1000
Ahmadabad	Starch	1250	1250-1280	-30			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close
Jul-11	-6	1170	1173.5	1153	1165
Aug-11	-2	1205	1204.5	1190	1201
Sep-11	-3	1215	1219	1210	1218
Oct-11	14	1105	1110	1086	1099

Spread	Jul-11	Aug-11	Sep-11	Oct-11
Spot	-45	-81	-97.5	21.5
Jul-11	-	36	52.5	-66.5
Aug-11	-36	-	16.5	-102.5
Sep-11	-52.5	-16.5	-	-119

Contract	Volume	Change	OI	Change
Jul-11	1270	0	18750	0
Aug-11	1220	-2630	15390	380
Sep-11	550	-940	3700	120
Oct-11	810	310	4340	30

Stocks	Demat	In-Process	Total	FED
	07.07.11	07.07.11	07.07.11	27.06.11
Davangere	557	0	557	805
Delhi	5471	1305	6776	994
Nizamabad	1601	0	1601	1672



CBOT Corn Futures:

(Unit: Cents/bushel)

Maize CBOT Daily Futures Price Listing (as on 07/07/2011) (Cents/bushel)

Contract Month	Open	High	Low	Close	Change
Jul'11	648.25	668	647.50	650	+1.25
Sep'11	618	633.50	616	625	+6.25
Dec'11	607	621.50	615.50	615.50	+7.00
March'12	621.50	634.75	628.50	628.50	+6.50
May'12	629.75	642.50	628.25	636.75	+6.25
Jul'12	635.75	650	635.75	644	+6.50

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