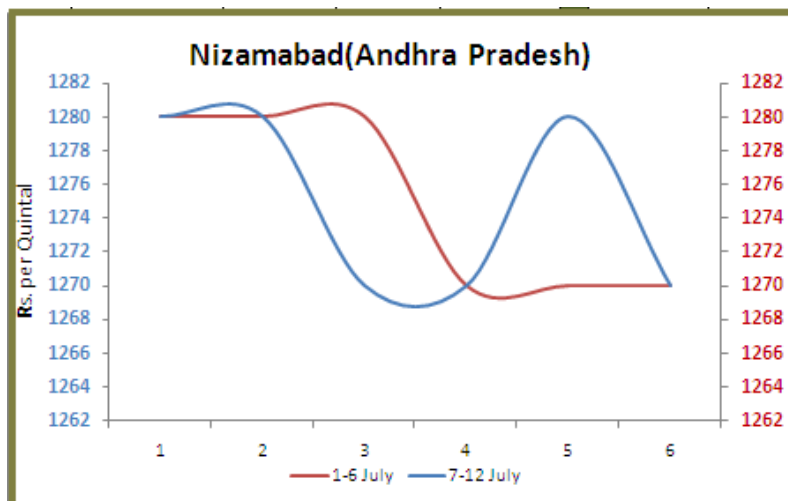


### Domestic Market Recap

Price at Nizamabad Market of Andhra Pradesh slipped another 0.78% in the week ended 11 July alike, as in the prior week. Market remains subdued as mixed set of factors remain prevalent. While domestic demand from starch and poultry remains good, further shortage of supply due to lean season and lesser availability of stocks, remain supportive of prices, which plunged so far on lower export activity (due to disparity).

- The domestic market was static this week. All growing areas in Karnataka and Andhra Pradesh have received good rainfall. With result the stockiest mood has turned bearish and a lot of stockiest now ready to off load the stock. Market may get ranged at lows, in the immediate time.
- Export Market: The export market continues to remain subdued as Indian corn is out of parity. However some buying emerged from China and some business was done for northern ports of China at USD 309 - 310 PMT CFR Dalian Port. China' Corn Import is growing very rapidly as they imported last year 1.8 million tones mostly from USA .This year they have imported 2 million tons already and are likely to import close to 3 million tons by the time their new crop arrives.
- Malaysia buying from Pakistan @ USD 308 - 310 PMT CFR Malaysian ports. Indonesia: No Demand as local crop is feeding the market. Vietnam: No business reported



### Current Market Dynamics:

**In Andhra Pradesh:** reportedly, supply remain restricted as stocks run low while demand from poultry prevail from places like Hyderabad, Karim Nagar. The same is likely act as a supportive driver for the price. While rains show improves in various places in Andhra Pradesh, the same is likely to bear a neutral impact as the deficiency at the time of seeding is likely to led to delay in the same. Lag in area sown until July 2011 as compared to last year as mention below in the report remains indicative of that.

**In Bihar,** Quality is being the major issue as reported by the market sources, which remain affected due to excessive rains in the region. The same remain a restrictive force on the supply front, they also convey that whatever little is being demanded, is from starch industry from places like Gujarat, Ahmadabad, Uttaranchal, Titarpur and Rudrapur.

**In Karnataka:** reportedly, rains remain insufficient and also untimely, which affects the sowing progress and the same is anticipated to affect the production, even if rains pick up in the season ahead as deficiency at the crucial seeding time, may prove to be unhealthy as put by the market sources. Moreover, lag of one month is being projected in completion of sowing.

**Weather:**

**Weekly Rainfall departure: As reported by IMD**

Rainfall gather pace in major Maize growing states of Karnataka, Andhra Pradesh and Maharashtra, which covers about 31.17% of the total Maize Area with development in the same is depicted as below.

Karnatka	% Departure as on 29- 06-2011	% Departure as on -06- 07-2011	Andhra Pradesh	% Departure as on 29- 06-2011	% Departure as on 06-07- 2011	Maharashtra	% Departure as on 29- 06-2011	% Departure as on -06- 07-2011
Davangere	41%	-4%	Guntur	-57%	89%	Solapur	-73%	173%
Haveri	-14%	-51%	West Godavari	-78%	38%	Ahmednagar	-76%	26%
Belgaum	4%	-43%	Karimnagar	-56%	28%	Sangli	-70%	-46%
Bellary	4%	108%	Nizamabad	-79%	15%	Pune	-41%	-86%
Chitradurga	18%	-19%	Krishna	-51%	72%	Buldhana	-67%	-69%
Shimoga	69%	-37%	Khammam	-54%	16%			
Bagalkot	-3%	278%	Warangal	-60%	123%			
Dharwad	-5%	-45%						
Chamarajnagar	-23%	-12%						
Hassan	-42%	-39%						

(Area in Lakh hectares)			
State	Area Sown until July 2011	Area sown until July 2010	Y.O.Y Change
Andhra Pradesh (as of 6 th July)	0.92	2.64	-65.15
Karnataka (as of 11 July)	6.02	6.43	-6.38

## Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		(11 <sup>th</sup> July, 2011)				
Delhi	Hybrid	1090	1120	1200	1240	965
Davangere	Bilty	1180	1200	1220	1225	980
Nizamabad	Bilty	1210	1270	1270	1240	1025
Naugachia	Bilty	975	1000	1020	1025	850
Kolkata	Mill	1160	1150	1170	1200	970
Ahmadabad	Feed	1250	1290	1255	1225	1100
	Starch	1250	1250	1320	1220	1090

## Indicative Market Arrivals (in Bags)

Market	Grade	Today	Week Ago	Month Ago	2 Months Ago	Year Ago
		Today 11 th July 2011				
Nizamabad	Bilty	-	-	200	600	1000
Davangere	Bilty	-	-	100	200	-
Naugachia	Bilty	300	100	1000	500	1000

One Bag= 100 kg

## Spot Price (Loose) at Karnataka: Price Outlook



- Maize prices trend remain weak as correction extends.
- 1050 on the lower side persist to be important support for the price, while 1160 on the higher side is likely to act as a resistance for the price, going forward.
- Weakness in the market can be captured by being seller near resistance points until 1160 is broken on the higher side, while buying chance near above mentioned support also remain an alternate strategy, but the same requires confirmation.

**Spot Price (Loose) at Andhra Pradesh: Outlook**



- Maize price at Nizamabad market (A.P) stay range bound.
- 1250-1150 remains the likely trading range for the price; break in either direction is likely to take it further in the respective same.

**Comparative Prices to Bear an Impact on Maize Demand:**

Date	Delhi Market			Spread with Wheat	Spread with Wheat in June 2011	Spread with Bajra	Spread with Bajra in June 2011
	Maize	Wheat	Bajra				
1-Jul-11	1100	1190	1000	-90	50	100	230
2-Jul-11	1100	1200	1000	-100	35	100	220
3-Jul-11	1100	1201	1000	-101	25	100	210
4-Jul-11	1120	1185	970	-65	35	150	215
5-Jul-11	1120	1190	980	-70	34	140	215

6-Jul-11	1120	1180	960	-60	55	160	235
7-Jul-11	1100	1185	950	-85	50	150	230
8-Jul-11	1100	1185	950	-85	40	150	245
9-Jul-11	1120	1180	950	-60	15	170	210
10-Jul-11	1120	1180	950	-60	10	170	200
11-Jul-11	1090	1181	930	-91	5	160	200

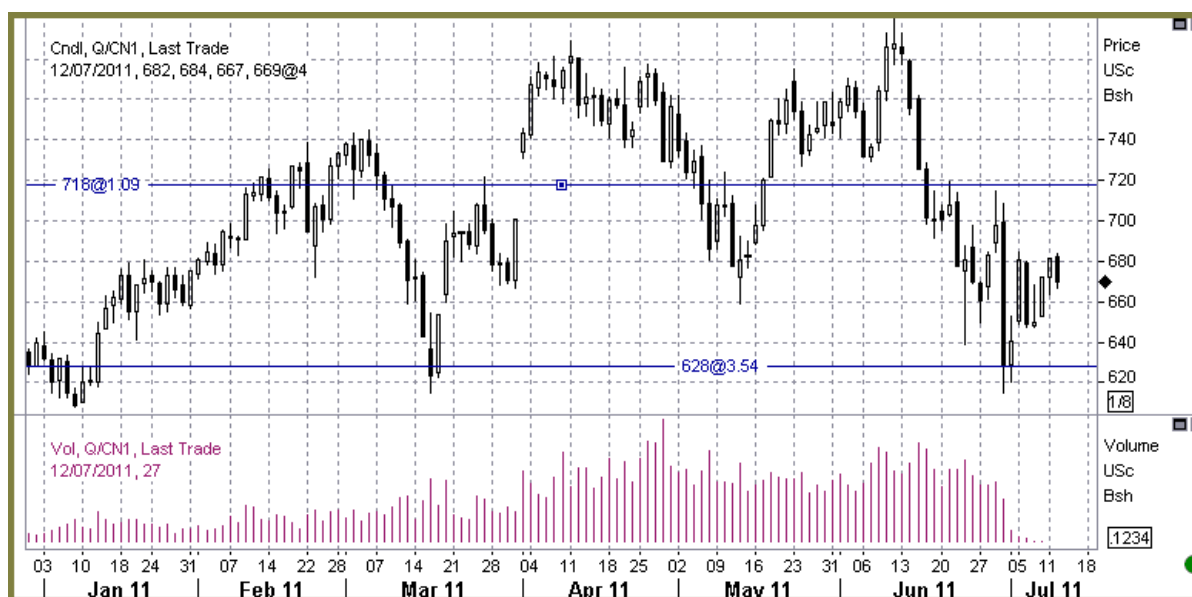
- In the Latest week until July 11, price spread between Maize and Wheat remain negative, indicating that Maize remain comparatively affordable and a shift of demand is likely to Maize, while the spread remained positive in the same week, a month ago and the situation appeared different then.
- Price spread between Maize and Bajra, however gives a different picture. While spread between the two remained more wide in June as compared to July(until 11), as Maize remain expensive than the later. Preference for Bajra due to the same factor may offset some of the impact, of the above development.

#### ***International Market Highlights:***

- Chicago corn futures remain steady on Wednesday after climbing 4 percent to a two-week high in the previous session, buoyed by a U.S. government report which forecast surprisingly small corn stocks. U.S. corn stocks will languish near 15-year lows for longer than expected as ethanol plants overtake livestock as the biggest consumers of the feed grain and China buys more American corn, according to government forecasts. The U.S. Agriculture Department, as expected, boosted its forecasts on of ending stocks this year and next, largely due to weaker-than-expected consumption by the livestock sector this year. But the revisions fell short of market anticipations and supported price.
- Warm and drier weather in the U.S. Midwest this week seen boosting crop growth and development. High pressures ridges later in the week may move into the Midwest bring hotter temperatures which may pose a threat to pollinating corn.
- In US: Based on plantings, growers could harvest a record 13.5 billion bushels of corn. There is some uncertainty due to late planting and extreme weather conditions (flooding and drought) in some Areas. The four states -- North Dakota, South Dakota, Minnesota and Montana -- grow one-third of U.S. wheat and 17 percent of corn. North Dakota was No. 1 in wheat last year and Minnesota usually is No 4 in corn. Corn plantings are up in the western Corn Belt from 2010 and held steady in the eastern Corn Belt, where rain delayed planting the most.

- U.S. feed grain supplies for 2011/12 are projected higher this month mostly with higher expected beginning stocks and production for corn. Corn beginning stocks are raised 150million bushels reflecting changes to 2010/11 usage projections. Corn production for 2011/12 is projected 270 million bushels higher based on planted and harvested area as reported in the *Acreage* report. Feed and residual use for 2011/12 is raised 50 million bushels with larger supplies and lower expected prices. Corn use for ethanol is raised 100 million bushels with larger supplies and an improved outlook for ethanol producer margins. Exports are raised 100 million bushels mostly reflecting increased demand from China. Ending stocks for 2011/12 are projected 175 million bushels higher at 870 million. The 2011/12 season-average farm price for corn is projected at a record \$5.50 to \$6.50 per bushel, down 50 cents on both ends of the range.
- In its quarterly, the USDA said the corn stockpile was 3.67 billion bushels on June 1, and it pegged plantings at 92.28 million acres. With normal weather and yields, a record-large crop could be reaped during the harvest, which is two months away. Corn stocks in all positions on June 1, 2011 totaled 3.67 billion bushels, down 15 percent from June 1, 2010. Of the total stocks, 1.68 billion bushels are stored on farms, down 21 percent from a year earlier. Off-farm stocks, at 1.99 billion bushels, are down 9 percent from a year ago. The March - May 2011 indicated disappearance is 2.85 billion bushels, compared with 3.38 billion bushels during the same period last year.
- China's corn import is growing as they imported 1.8 million tons last year mostly from US. This year they have imported 2 million tones already and are likely to import close to 3 million tons by the time their new crop arrives.

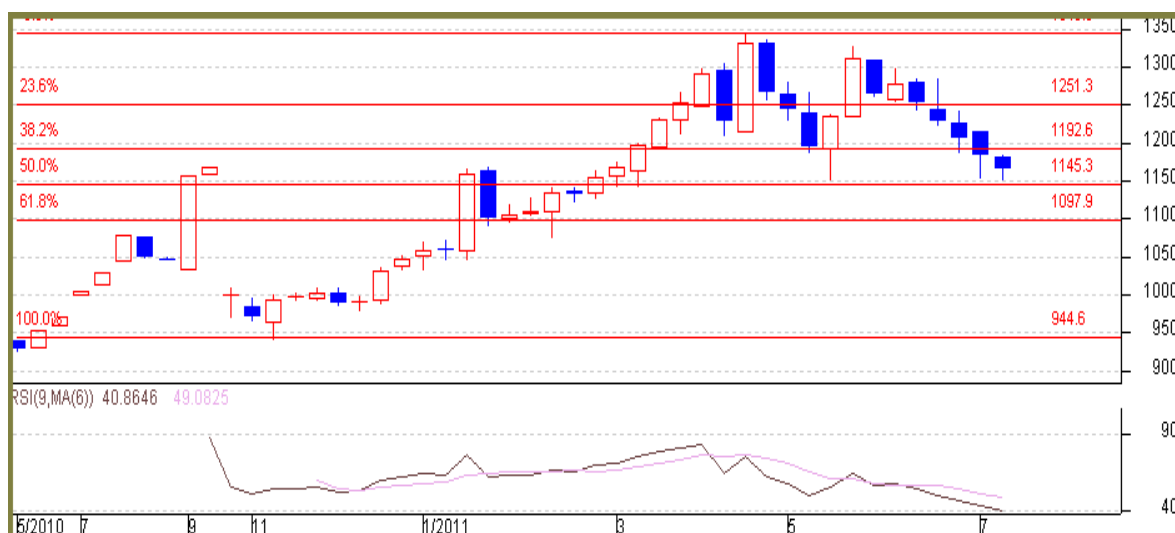
#### CBOT Corn Futures Outlook:



- CBOT Corn futures price trend continue to remain range bound. More recovery may follow, but bulls to regain strength above 720 levels only.

- 645 becomes the first support on the lower side, while below that 620 will act as the same.
- 645-720 is the broad trading range for the price; drift in either direction is likely to take it further in the respective same.

### Futures Market Analysis: NCDEX Maize



- Maize short term remains in corrective mode. Price continues to stand near important support levels. Bounces remain likely, trend to stay in favor of bears until 1225 on the higher side is breached.
- 1225-1180 is the current trading range for the price. Drift in either direction will take it further in the respective same.
- Positioning of RSI in the weekly chart continue to favor bears.
- **Strategy:** Playing according to the support and resistance levels remains a prudent way to trade, rather than following one particular direction. While short covering can be captured from around 1170-1200 zone with 1150 being the lower limit, alternatively selling may be undertaken near 1230 with a stop loss of 1240 with a target until lower support.

### Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1150	1180	1203	1225	1245

### DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>