

Maize Market Fundamentals:

- Maize price remain steady in the spot market.
- Data from state agricultural dept. depict area sown under maize in Karnataka remain at 8.51 lakh hectares as on July 25 as compared to 8.37 lakh hectares same time last year.
- This remains so while rainfall remain deficient in most places in Karnataka and Andhra Pradesh, as depicted by the rain progress as on 27 July 2011 in comparison to previous week ending 20 July 2011, when rains recorded improvement. Weather progress remains on same lines in Andhra Pradesh, where rains again get deficient at the end of the latest week.
- Overall, the monsoon rains were 5 percent below average from June 1 to July 28. Rainfall was 23 percent below normal in the week to July 27 in a sharp reversal from the previous week.
- Market sources in Karnataka convey that while demand from poultry may reduce in the coming time, the same from starch industry is likely to remain weak as they have ample stocks to cater to that.
- Price spread between Maize and Wheat continue to remain negative but the difference between the prices of the two reduces further. Recovery in Maize price and decline in the wheat price in the week ended 28 July remain contributory to the same. While Maize continue to remain affordable as compared to wheat, the reduction in the gap between the prices is likely to cause some demand drift towards wheat.

International Market:

- US corn futures finished lower as rains are expected to benefit crops after hot, dry weather last week. Traders paying close attention to the weather as farmers need favorable conditions to grow a large crop necessary to replenish low supplies. Near-term demand is easing as grain users wait for the next harvest to make purchases. CBOT December corn drops 5 1/4c to \$6.86 1/4 a bushel.

Outlook:

We feel that prices may remain range bound to firm. Weak export demand played the dampener for the price until now but likely catching up in the same may prove to be a support. Slow sowing progress on deficient rains is also likely to be the supportive market driver for the maize price. Area coverage was lower by, 3.7 lakh ha. under Maize as on July 21.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags (1 bag = 1 Qtl)		
		29.07.2011	28.07.2011	Change	29.07.2011	28.07.2011	Change
Delhi	Hybrid	1150	1150	unch	500	400	+100
Nizamabad	Bilty	1300	1300	-	200	300	-100
Karimnagar	Bilty	-	-	-	-	-	-
Davangere	Bilty	1225	1225	unch	650	750	-100
Naughachia	Bilty	1000	1000	unch	200	200	unch
Gulab Bagh	Bilty	-	-	-	-	-	-
Kolkata	Mill	1170-1175	1170-1175	unch	300	300	unch
Ahmadabad	Feed	1260-1280	1270-1280	unch	4000	4000	unch
Ahmadabad	Starch	1225-1230	1220-1230	unch			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close
Aug-11	-6	1284	1284	1256	1269
Sep-11	-8.5	1304	1305	1290	1297
Oct-11	-2.5	1265	1274	1260	1270

Contract	Volume	Change	OI	Change
Aug-11	3340	-600	18520	-380
Sep-11	2020	1370	9940	340
Oct-11	1160	-590	5970	390

Spread	Aug-11	Sep-11	Oct-11
Spot	31	3	30
Aug-11	-	28	1
Sep-11	-28	-	-27

Stocks	Demat	In-Process	Total	FED
	28.07.11	28.07.11	28.07.11	25.07.11
Davangere	557	0	557	506
Delhi	10851	295	11146	10425
Nizamabad	1521	0	1521	101

CBOT Corn Futures:
(Unit: Cents/bushel)

Maize CBOT Daily Futures Price Listing (as on 28/07/2011) (Cents/bushel)

Contract Month	Open	High	Low	Close	Change
Sep'11	690.25	690.50	680.00	682.25	-9.25
Dec'11	689.75	692.75	682.50	686.25	-5.25
March'12	702.25	705.00	695.25	698.75	-5.25
May'12	708.00	710.25	702.75	705.50	-4.50
Jul'12	712.75	715.25	707.75	711.00	-4.00

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