

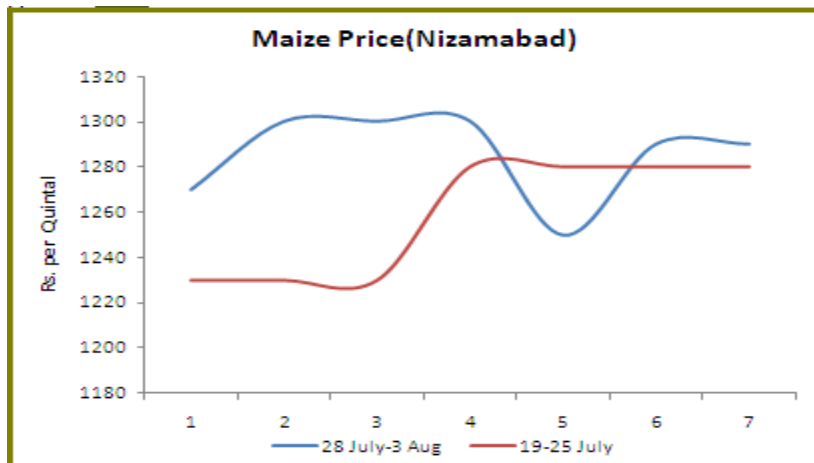
Domestic Market Recap

Maize price surged higher by 1.06% in the week ended August 03 as compared to the posted gains of 4.07% in the prior week. Surge remains attributed to the improved domestic demand amidst limited arrivals as farmers hold the same while sowing for the new crop remains in progress.

Export demand picks up but not upto the mark while there were some reports of the same happening with Malaysia/Indonesia.

Lag in crop progress in few southern regions due to deficit rains also remain a supportive factor, while sowing also nears completion in few states (U.P).

The trade participants are predicting a lower acreage of the crop this year due to lower rainfall in the inner areas of Karnataka and Andhra Pradesh.



Following table shows active buyers in southern states of the country and their purchase price:

Godrej Hubli	12350
CP Bangalore	No buying
Riddhi Siddhi Bio Glycols,Gokak	11000
Sahyadri Starch,Miraj	No buying *
VHL Sholapur	12500
Godrej Chitradurga	12900
* having own stocks of 40000 bags and utilising it	
** all are delivery prices	

Current Market Dynamics:

Sources at Karnataka (Davengere) convey that demand from Poultry remains good, while the same from starch industry remain normal, as stocks remain available with them. Exports deals to Vietnam, Indonesia/Malaysia have been reported at export quotes ranging between USD 305-310.

Lag in sowing progress also remain a cause of optimism and with August rains being crucial to determine the final acreage and yields, market is likely to draw support.

Sources in Andhra Pradesh (Nizamabad) convey that demand from Poultry remain good with Hyderabad being the major consumption centre. They also state that while supply remain curbed due to lean season, stocks remain sufficient in the region to cater to the demand. Price outlook suggests a range bound move with likely range of 1275-1325 for the price.

Maize Price sentiment in Bihar remains positive as arrivals remain hit and whatever little is there, is of inferior quality. Sources in Naughachia convey that farmers prefer to hold the stocks with them, in anticipation to fetch the higher price in future, while this restricts the supply in the market, the same also gets disrupted due to floods in few regions.

Weather:

Weekly Rainfall departure: As reported by IMD

While rainfall continue to be deficient at most places in Karnataka and Maharashtra in the week ended 08 August as compared to a week earlier, rains accelerated in areas in Andhra Pradesh. Maize sowing in Karnataka lags behind and hovers at 8 lakh hectares as compared to 9.41 lakh hectares covered until July end last year. Sowing of Maize is almost complete in Uttar Pradesh with reported percentage of 98%. The trade participants are predicting a lower acreage of the crop this year due to lower rainfall in the inner areas of Karnataka and Andhra Pradesh, especially in the Bellary District where the crop is now suffering from moisture stress as the follow up rains have been v.poor.

	% Departure as on -27- 07-2011	% Departure as on -03- 08-2011		% Departure as on -27- 07-2011	% Departure as on -03- 08-2011		% Departure as on -27- 07-2011	% Departure as on -03- 08-2011
Karnatka			Andhra Pradesh			Maharashtra		
Davangere	-50%	-1%	Guntur	26%	85%	Solapur	-57%	53%
Haveri	-54%	-20%	West Godavari	-40%	108%	Ahmednagar	-5%	-7%
Belgaum	-17%	-23%	Karimnagar	-43%	2%	Sangli	-41%	-46%
Bellary	3%	9%	Nizamabad	-34%	81%	Pune	-59%	-47%
Chitradurga	-49%	9%	Krishna	-23%	113%	Buldhana	-58%	-29%
Shimoga	-5%	-16%	Khammam	-52%	-38%			
Bagalkot	-62%	-13%	Warangal	-59%	91%			

Dharwad	-30%	-47%						
Chamarajnagar	-17%	13%						
Hassan	-31%	-21						

(Area in Lakh Hectares)

	Target Acreage	Actual acreage	Last year same time
Karnataka as on 31 July	11.24	8.00	9.41
Andhra Pradesh as on August 03	5.00	4.09	4.13
Maharashtra as on 29 July	-	5.7	5.8
Bihar as on 27 July	3.75	-	-
Uttar Pradesh as on 31 July (98% Sowing complete)	8.14	7.99	8.37

(Source: State agriculture depts.)

District-wise and Crop-wise Area Coverage during Kharif season of 2011-12 up to 31.07.2011

(Area in Hectares)

District	Maize		
	Irrigated	Rainfed	Total
Bangalore (Urban)	259	207	466
Bangalore (Rural)	4952	10108	15060
Ramanagar	363	70	433
Kolar	224	173	397
Chikkaballapur	7113	20463	27576
Tumkur	3197	9990	13187
Shimoga	6650	53556	60206
Chitradurga	2625	82763	85388
Davanagere	11059	149530	160589
Mysore	460	23549	24009
Chamarajanagar	1876	2414	4290
Mandya	37	2504	2541
Kodagu	0	3625	3625
Hassan	3465	45590	49055
Chikkamagalur	0	21762	21762
D.Kannada			0

Udupi			0
Dharwad	3635	16160	19795
Gadag	10812	16953	27765
Haveri	7568	118347	125915
U.Kannada	0	3956	3956
Belgaum	68163	26980	95143
Bijapur	40555	455	41010
Bagalkot	29280	3040	32320
Raichur	244	15	259
Koppal	12454	22656	35110
Bellary	21630	58142	79772
Gulbarga	924	2589	3513
Yadgir	2792	728	3520
Bidar	0	1440	1440
STATE:	240337	697765	938102

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		(03 rd August, 2011)				
Delhi	Hybrid	1160	1150	1120-1160	1225	1040
Davangere	Bilty	1250	1225	1200	1180	1020
Nizamabad	Bilty	1290	1270-1280	1270	1180	1025
Naugachia	Bilty	980-1000	925-1000	970-1000	1000-1010	925
Kolkata	Mill	1175-1200	1170-1175	1125-1150	1175-1180	1025
Ahmadabad	Feed	1280-300	1275-1280	1290	1240-1250	1135-1165
	Starch	1240	1220-1230	1240-1250	1235-1245	1125-1150

Indicative Market Arrivals (in Bags)

Market	Grade	Today 03rd August	Week Ago	Month Ago	2 Month Ago	Year Ago
Nizamabad	Bilty	2000	3000	4000	2000-3000	2000
Davangere	Bilty	1500	7500	-	2000	-
Naugachia	Bilty	2000	2000	-	7000	5000

One Bag= 100 kg

Comparative Prices: Likely Impact on Maize Demand:

Date	DelhiMarket					
	Maize	Wheat	Bajra	Spread with Wheat	Spread with Wheat (Month Ago)	Spread with Bajra
1-Jul-11	1100	1190	1000	-90	50	100
2-Jul-11	1100	1200	1000	-100	35	100
3-Jul-11	1100	1201	1000	-101	25	100
4-Jul-11	1120	1185	970	-65	35	150
5-Jul-11	1120	1190	980	-70	34	140
6-Jul-11	1120	1180	960	-60	55	160
7-Jul-11	1100	1185	950	-85	50	150
8-Jul-11	1100	1185	950	-85	40	150
9-Jul-11	1120	1180	950	-60	15	170
10-Jul-11	1120	1180	950	-60	10	170
11-Jul-11	1090	1181	930	-91	5	160
12-Jul-11	1135	1181	930	-46	4	205
13-Jul-11	1135	1192	935	-57	10	200
14-Jul-11	1135	1192	925	-57	15	210
15-Jul-11	1135	1190	925	-55	-10	210
16-Jul-11	1135	1195	925	-60	-20	210
17-Jul-11	1135	1190	925	-55	-10	210
18-Jul-11	1135	1197	925	-62	-45	210
19-Jul-11	1100	1197	950	-97	-46	150
20-Jul-11	1100	1200	945	-100	-60	155
21-Jul-11	1100	1195	950	-95	-55	150
22-Jul-11	1100	1195	950	-95	-45	150
23-Jul-11	1100	1190	950	-90	-45	150
24-Jul-11	1100	1190	950	-90	-40	150
25-Jul-11	1115	1185	935	-70	-35	180
26-Jul-11	1140	1185	925	-45	-35	215
27-Jul-11	1150	1185	925	-35	-70	225
28-Jul-11	1150	1182	920	-32	-75	230
29-Jul-11	1150	1180	920	-30	-78	230
30-Jul-11	1140	1175	920	-35	-80	220
31-Jul-11	1140	1175	920	-35	-90	220

1-Aug-11	1160	1185	905	-25	-100	255
2-Aug-11	1160	1185	905	-25	-101	255
3-Aug-11	1160	1180	905	-20	-65	255

- Price spread between Maize and Wheat continue to remain negative but the difference between the prices of the two reduces further. Further recovery in Maize price and comparatively steady move in the wheat price in the week ended 03 August 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.
- Price spread between Maize and Bajra, however continue to remain positive and incremental, indicating sustained attractiveness of Bajra over Maize. On Month on Month basis, Maize price spread with wheat was wider last month as compared to current month, which remain indicative of improvement in wheat demand, likely from the last month's level.
- As, a result, demand substitution prospects gets favorable for wheat as compared to Maize while Bajra continue to remains a more attractive bet on the same from due to better affordability.

Spot Price (Loose) at Karnataka: Price Outlook

Maize: Davangere (Loose Price)



- Maize Price continues to be range bound. Price recoups from support, capable resistances are situated ahead.



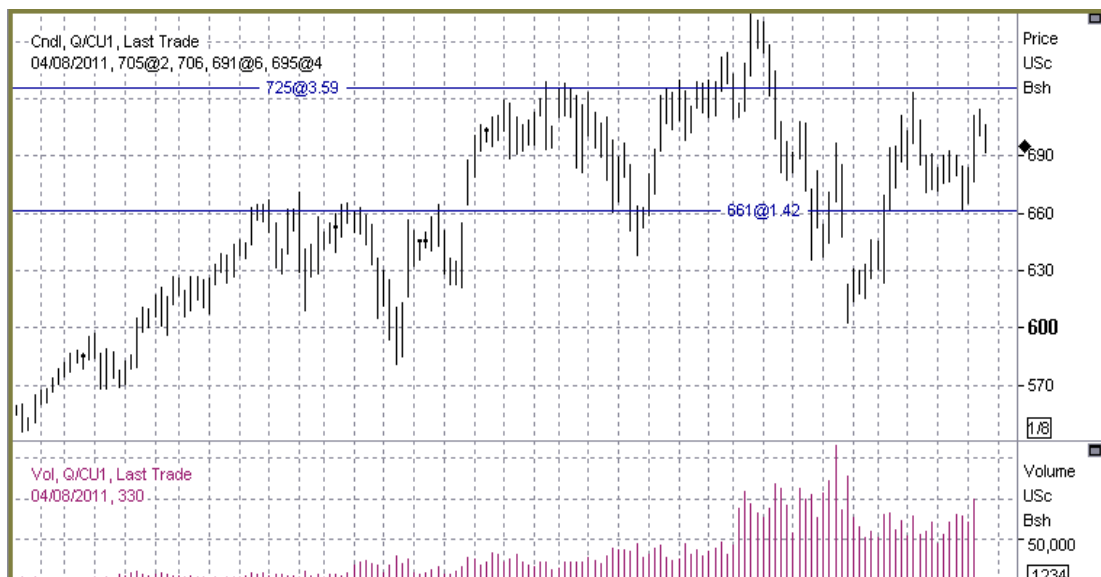
- 1140 on the lower side is an important support for the price, while 1220 remains the immediate capable resistance levels. While a directional move is likely beyond these levels, until the same happens ranged action is likely.
- Bears will continue to be in picture during the recovery, until the price breaks above 1200 level, convincingly.
- **Strategy:** Buying at dips near 1155 can be the trading strategy with a strict stop loss below 1140, while, while the same move above 1220 is also likely to be fruitful. Keep note of the fact that sellers may try to exercise their power near the mentioned resistance, so remain watchful of the same and be prepared to reverse the trade in case the same happens.

International Market Highlights:

- Chicago corn slid 0.6 percent on Thursday, falling for a second straight day as forecasts for crop-friendly weather in the U.S. Corn Belt and concerns over slowing economic growth weighed on the market.
- Corn is being affected by general weakness in demand, but It is still relatively bullish going forward as anticipations prevail in the market that yields could fall as low 150 bushel per acre and production at 12.621 billion bushels. The U.S. Department of Agriculture's (USDA) latest forecast was for corn production at 13.470 billion bushels and a yield per acre of 158.7 bushels.
- USDA will release its first production forecast based on surveys in its August crop report on Aug. 11. A Reuters poll of 12 analysts pegged the corn yield at 155.2 bushels per acre and trade house INTL-FCStone forecast the corn yield at 153.2 bushels per acre and corn production at 13.002 billion bushels.
- Yields are anticipated to be lower across much of the United States as wet weather during planting caused delays in the eastern Corn Belt. Also, persistent hot, dry weather has stunted growth and limited yield potential over many areas of the United States.
- August is typically an important month for Brazilian corn shipments due to the harvest of its winter crop and ports' shipping schedules suggest exports of the grain will increase sixfold from July. But despite the strong showing of corn exports from Brazil so far this year, exports will likely fall shy of last year's near record tally due to harsh weather that sapped some of the productive potential of the local crop this season. As put by the traders, shipping line-ups showed that corn exports are expected to reach at least 1.6 million tones this month compared with 271,000 tones in July. In August, 2010, exports of the grain hit 1.2 million tones.

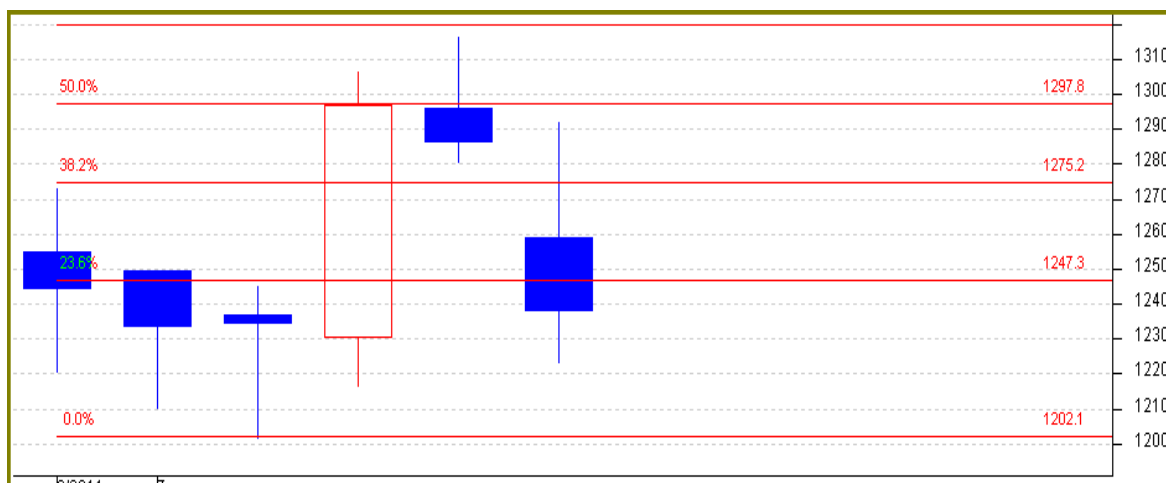
CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Maize Price Trend remain range bound
- 725-660 continues to be the trading range for the price, while any directional move is likely beyond these levels only, until the same happens price will continue to hover in the mentioned range.
- Strategy: Buying at dips continue to be the applicable trading strategy until 660 on the lower side stay unbreached while below the same bears will get active once again.

Futures Market Analysis: NCDEX Maize



- Maize price trend remains range bound. Correction took place from around significant resistance point.
- 1200-1250 is the applicable 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:** While buying near support points can still be eyed as a profitable strategy; first signal of the same is yet to arrive. While market remains in corrective mode, selling should only be done only if the 1200 mark (important supports break down on closing basis), until then possibility of a revival will exist.

Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1200	1220	1238	1250	1260

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