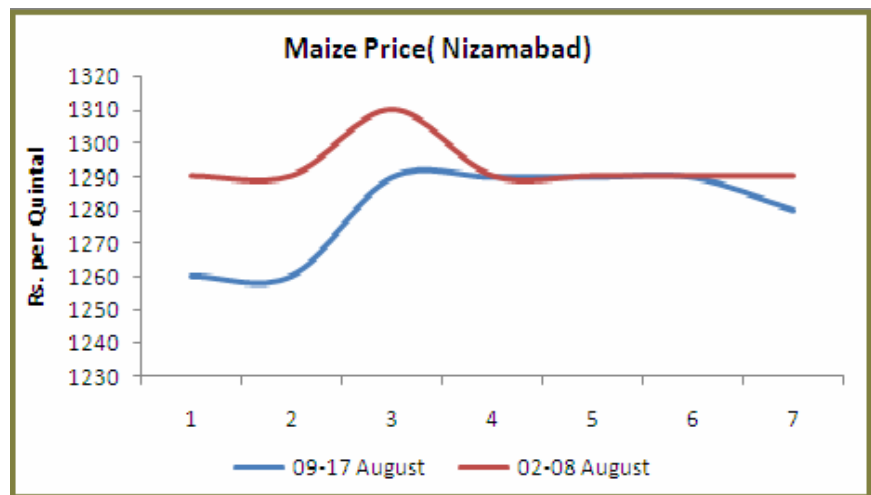


Domestic Market Recap

Maize price managed to record gains in the week ended 17th August and surged higher by 1.59% as compared to steady move in the week prior. While dull exports continue to weigh on the price sentiment, catch up in rains, pushed the sowing ahead in few of the Key growing states and add to the stress

Most of the domestic buyers were out of the market except at Godrej Chitradurga and Riddhi Siddhi Bio Glycol and the same limited the price growth that attempted to advance on lesser arrivals.



On the Export front, Dalian market in China was quoting around USD 352 - 359 PMT ex warehouse and there was buying interest from China upto USD 316 - 318 CFR Dalian port from Indian exporters but there were no sellers as this works out to a parity of Rs.13000 PMT Chennai CFS Delivery price.

Some exporters who had previous commitments are covering corn at Rs.13500 - 600 PMT Chennai delivery. Even with weakness in the domestic prices the prices have yet to reach a level where the exporters can export corn with any profit. The trade to China is even more costlier to exporters as all the shipments are being done in 50 kg PP bags (vis a vis bulk in containers for other destinations) which adds upto Rs.250 PMT in the costing .

There were enquiries from Indonesia as well at USD 318 - 320 CFR Indonesian ports of Jakarta/Surabaya/Belawan. But again the exporters are unable to perform due to higher domestic prices. In fact at Chennai port must be having close to 5000 - 7500 MT lying at various godowns but sellers are not interested in shipping out as the domestic prices are higher and they are more interested in selling in the domestic markets rather than in exports.

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

Godrej Hubli	No buying
CP Bangalore	No buying
Riddhi Siddhi Bio Glycols, Gokak	12200
Sahyadri Starch, Miraj	
VHL Sholapur	No buying
Godrej Chitradurga	12700
*All are delivery prices	

Current Market Dynamics:

Sources in Nizamabad (Andhra Pradesh) convey that demand from Poultry remains good however weak exports continue to weigh on the price growth, while stocks only remain sufficient for another month's usage. Consequently price is likely to remain steady and ranged. New crop arrivals are also expected to hit the market in one month's time which will again pressure the price further.

In Delhi, demand reportedly remain weak while arrivals also remain low, but market expects the new crop arrival to hit few regions in UP shortly and market sources expect the arrivals to thicken as soon as the weather interruption waves off.

Sources at **Karnataka (Davengere)** conveyed that, demand from poultry remains normal, the same combined with constrained supply may continue to support prices but again catching up area remains indicative of the improving prospects for the coming up season and the same is likely to limit the optimism in the price.

Weather:

Weekly Rainfall departure: As reported by IMD

After two consecutive weeks of weak monsoon conditions, it was active during this week and all India rainfall was 14% above long period average (LPA). It is only the second week of this monsoon season when East & northeast India received above normal rainfall (34% more than LPA). Because of the active monsoon conditions in

this week, seasonal rainfall for the Country as a whole is now deficient by 4% against 6% till previous week.

The cumulative seasonal rainfall for the country as a whole from 1-10 August has been 1% above the LPA with near normal rainfall over all the four subdivisions.

For the country as a whole, cumulative rainfall during this year's monsoon has so far upto 10 August been 04% below the LPA.

Outlook for the subsequent week (20 - 26 August) With the likely southward shift of trough, Monsoon activity may increase over central India and adjoining Andhra Pradesh and Maharashtra. However, rainfall would decrease over northwest and east India.

So far, Maize sowing in Bihar is 82% complete while it is 85.2% done in Andhra Pradesh . In Karnataka, Maize sowing has completed 90%.

Area in Lakh Hectares	Target Acreage	Actual acreage	Last year same time
Karnataka as on 16 August	11.24	10.16	10.43
Andhra Pradesh as on 17 August	5.00	4.40	4.26
Maharashtra as on 12 August	-	6.38	6.61
Bihar as on 12th August	3.75	3.05	2.99
Uttar Pradesh as on 7 th August	8.14	8.02	9.08

(Source: State agriculture depts.)

Maize Spot Market Prices (Rs. /Quintal)

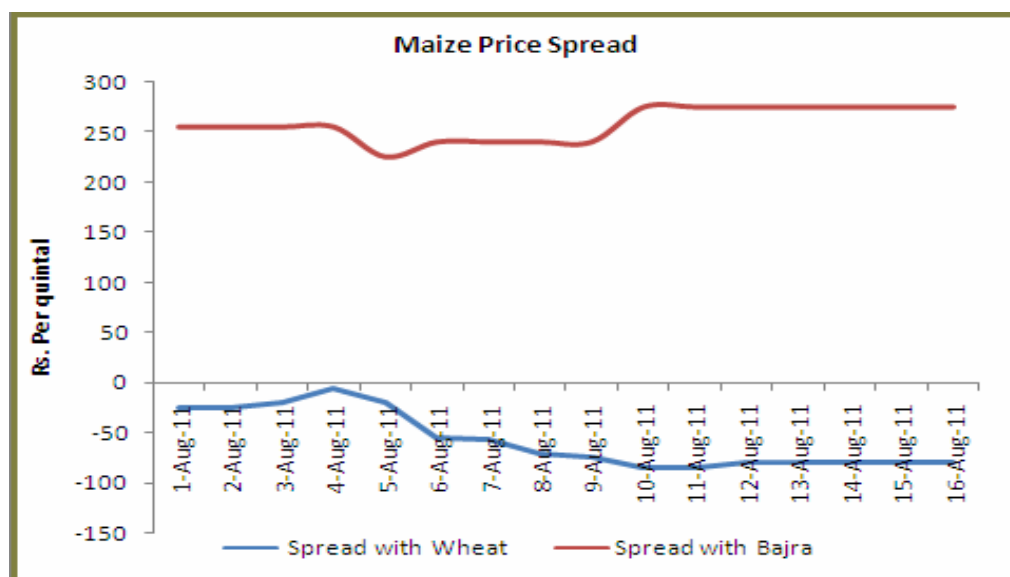
Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		(16 th August, 2011)				
Delhi	Hybrid	1100	1100	1135	1180	1025
Davangere	Bilty	1240	1250	1212	1235	1010
Nizamabad	Bilty	1290	1260	1225	1260	1040
Naugachia	Bilty	1025	1000-1025	925-975	950	910
Kolkata	Mill	1225	1200	1170	1150	1010



Ahmedabad	Feed	1280-1310	1245-1280	1265	1250-1280	1130-1150
	Starch	1240	1240	1200-1230	1255	1135-1150

Comparative Prices: Likely Impact on Maize Demand :

Date	Delhi Market			Spread with Wheat	Spread with Wheat in July 2011	Spread with Bajra	Spread with Bajra in July 2011
	Maize	Wheat	Bajra				
1-Aug-11	1160	1185	905	-25	-100	255	100
2-Aug-11	1160	1185	905	-25	-101	255	100
3-Aug-11	1160	1180	905	-20	-65	255	150
4-Aug-11	1160	1165	905	-5	-70	255	140
5-Aug-11	1125	1145	900	-20	-60	225	160
6-Aug-11	1100	1155	860	-55	-85	240	150
7-Aug-11	1100	1156	860	-56	-85	240	150
8-Aug-11	1100	1170	860	-70	-60	240	170
9-Aug-11	1100	1175	860	-75	-60	240	170
10-Aug-11	1100	1185	825	-85	-91	275	160
11-Aug-11	1100	1185	825	-85	-46	275	205
12-Aug-11	1100	1180	825	-80	-57	275	200
13-Aug-11	1100	1180	825	-80	-57	275	200
14-Aug-11	1100	1180	825	-80	-57	275	200
15-Aug-11	1100	1180	825	-80	-57	275	200
16-Aug-11	1100	1185	825	-80	-57	275	200
Average	1116.6	1174.4	858.4	-57.6	-69.3	258.1	165.9



- Average price spread between Maize and Wheat widened to Rs. (57.6) per quintal in the week ended 16th August 2011 vis-a-vis spread of (Rs.34.5). The same is in comparison to average spread of Rs. (69.3) as on same date, a month ago.
- Much of the above move remains an outcome of steadiness in Maize Prices in comparison to recovery in wheat prices. Average spread between the two remains narrower than the last month's level of Rs. (69.3) and remain supportive for the maize in comparison to wheat on the demand front .
- Price spread between Maize and Bajra, however continue to remain positive and wide, from a month earlier, indicating sustained attractiveness of Bajra over Maize.

Spot Price (Loose) at Karnataka: Price Outlook

Maize: Davangere (Loose Price)



- Maize Price continues to be range bound with positive bias. Price continues to move forward but also reach near significant resistance.
- 1180 on the lower side becomes the significant support for the price, while 1210 is the immediate capable resistance levels. While a directional move is likely beyond these levels, until the same happens ranged action is likely.
- **Strategy:** Buying at dips near 1180 can be the trading strategy with a strict stop loss below 1165 while, while the same move above 1210 is also likely to be fruitful. Keep note of the fact that sellers may try to exercise their power near the mentioned resistance, which is likely in the least as

International Market Highlights:

- U.S. corn ratings have steadied after rain and cooler temperatures in the Midwest stabilized the crops, which had been suffering through a dry, hot summer. The good-to-excellent ratings for both crops were the lowest for mid-August in four years, reflecting the late planting and the scorching July that robbed yield potential from corn. A weekly report from the U.S. Agriculture Department rated the corn crop 60 percent good to excellent, unchanged from a week ago and in line with the average of estimate.



- The average good-to-excellent rating for this time of year has been 61 percent during the past 10 years. In 2010, USDA rated the crop 69 percent good to excellent in mid-August.
- US Corn production for 2011/12 is forecast 556 million bushels lower with a reduction in harvested area and lower expected yields. The national average yield is forecast at 153.0 bushels per acre, down 5.7 bushels from last month's projection as unusually high temperatures and below average precipitation during July across much of the Corn Belt sharply reduced yield prospects. Total projected corn use for 2011/12 is reduced 340 million bushels.
- Feed and residual use is projected 150 million bushels lower reflecting the smaller crop and higher expected prices. Corn use for ethanol is projected 50 million bushels lower with tighter supplies and lower forecast gasoline consumption for 2011 and 2012. Projected corn exports for 2011/12 are reduced 150 million bushels with wheat feeding expected to increase. Ending stocks are projected 156 million bushels lower at 714 million. The stocks-to-use ratio is projected at 5.4 percent, compared with last month's projection of 6.4 percent.

CBOT Corn Futures Outlook:

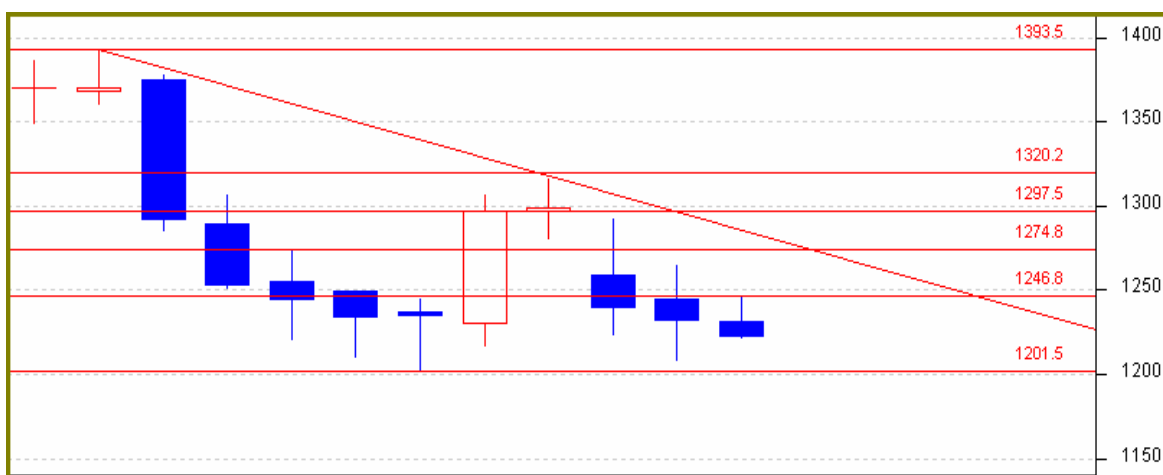
CBOT Maize Chart: Front Month



- Maize Price Trend remains range bound. Price tries to break above the upper trend line range.

- 725-675 becomes 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. A trade above 700 is also favorable condition for the bulls.
- Strategy: Buying at dips continue to be the applicable trading strategy until 675 on the lower side stay unbreached while below the same traders may look to reverse the trade. Remaining long above 700 is also likely to be fruitful trading strategy.

Futures Market Analysis: NCDEX Maize



- Maize price trend continue to be range bound. Correction continues, nearness to support suggest caution for bulls.
- 1200 is the immediate support (on closing basis) for the price, 1200-1225 is the immediate trading range for the price, drift in either direction will take it further in the respective same.

Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1175	1200	1206.50	1225	1245

- Positioning of RSI in the weekly chart continue to favor bears.
- **Strategy:** Selling at high near 1245 or below 1200 can be undertaken, while inhibiting caution exactly near 1200 as the same hold importance as a significant support juncture. While there is no buying indication, suggested by technical positioning, short covering around 1200 levels may however lead



the same, but confirmation of the same should be awaited. 1265 on the higher continue to stand as a reversal level.

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