

Domestic Market Recap

Maize price recouped higher in the week ended 23rd August and surpassed last week's level. While dull demand weighed on the price sentiment, catch up in rains, lag in total maize area sown remain a supportive factor for the price.

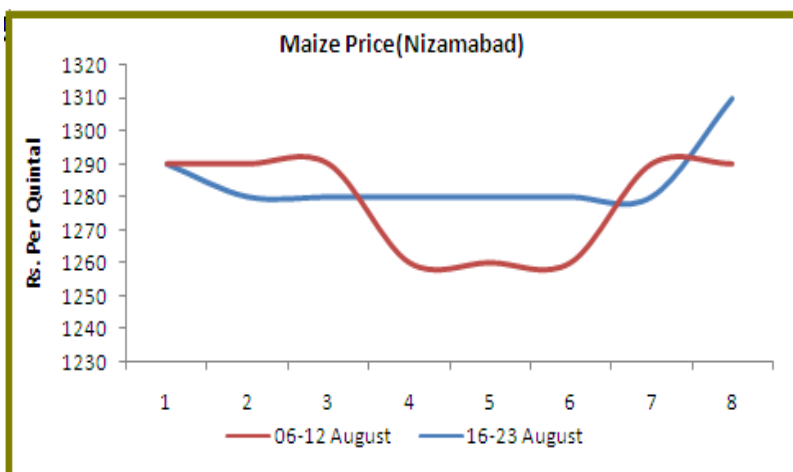
Demand continued to be poor as buyers did not show any interest at higher levels. Most of the domestic buyers decided to sit out of the market rather than buy at higher prices in the expectation that new crop corn will be available from Middle of September at lower prices. Most of the bigger consumers any how carry inventory for upto 60 days.

On the Export front, Dalian market in China was continued to quote around USD 352 - 359 PMT ex warehouse. Hence there was buying interest from China upto USD 316 - 318 CFR Dalian port .Due to favorable dollar rate ie Rupee weakening now the parity is upto Rs.13200 PMT For Chennai.

Hence some active buying was seen by the exporters at Rs.13200 PMT FOR Chennai. Some AP

stockists also started offloading their cargoes at these levels. But even today AP stockist must be carrying at least 0.5 - 1 million MT of stocks with them although the new crop is less then a month away.

Malaysian Markets - Some fresh selling from Pakistan was seen at USD 270- 275 CFR Port Klang/Penang. For Indonesia which buys better quality then Malaysia the prices from Pakistan were upto USD 295 CFR .Against such a scenario the Indian seller unable to compete in either markets.



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	No buying

Sahyadri Starch,Miraj	
VHL Sholapur	No buying
Godrej Chitradurga	No buying

Current Market Dynamics:

Sources in Bihar convey that Quality issues pertain in Maize and about 75% of the crop is of inferior quality. Heavy rains remain contributory to the same. They also convey that the demand remains for rest 20-25% of the crop and the same is going to Starch Industry and remain noticeable from Gujarat and Uttaranchal, while sources say demand of the same from southern regions is not there due to mismatch of Quality requirements.

In Nizamabad (Andhra Pradesh), reportedly demand remains normal while market awaits new crop arrivals around 15th September, which according to them is a lag of 15 days. Further they convey that rains are occurring in the state, and a field needs to be dried before the same as well. Stocks in Andhra Pradesh remain at 40000 tons, the same in Nizamabad hover around 4000 tons, the same remain sufficient to cater to the demand until the new crop hits the region.

Weather:

Weekly Rainfall departure: As reported by IMD

During this monsoon season so far, country as a whole has received highest rainfall (26% above LPA) during this week. During this week the country as a whole received above normal rainfall on most of the days.

Due to enhanced rainfall activity during this week, deficiency in seasonal rainfall for the country as a whole has further reduced to 1% against 4% till previous week.

The cumulative seasonal rainfall for the country as a whole from 1-17 August has been 11% above the LPA with highest above normal rainfall (27%) over northwest India. For the country as a whole, cumulative rainfall during this year's monsoon has so far up to 17 August been 1% below the LPA.

Outlook for the subsequent week (27 August- 02 September) There is not likely to be much change in the rainfall scenario for the country as a whole during this week as compared to the previous week. Monsoon trough is likely to oscillate around its normal position.

Maize Total Area sown, reportedly reach at 69.91 lakh hectares as on 19 August 2011 as compared to 71.70 lakh hectares until the same time a year ago.

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%. 84.8% of the targeted area has been sown in Maharashtra, whereas in UP 98.54% of the total sowing has been completed.

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 16 August	-	6.62	6.53
Bihar as on 12th August	3.75	3.05	2.99
Uttar Pradesh as on 21 st August	8.14	8.02	9.27

(Source: State agriculture depts.)

	% Departure as on -10- 08-2011	% Departure as on -17- 08-2011	Andhra Pradesh	% Departure as on -10- 08-2011	% Departure as on -17- 08-2011	Maharashtra	% Departure as on -10- 08-2011	% Departure as on -17- 08-2011
Davangere	31%	-82	Guntur	-70%	-44	Solapur	-89%	-95
Haveri	44%	-61	West Godavari	-63%	-25	Ahmednagar	-88%	-77
Belgaum	13%	-65	Karimnagar	-63%	-39	Sangli	-60%	-28
Bellary	39%	-35	Nizamabad	-42%	-49	Pune	-61%	-40
Chitradurga	3%	-84	Krishna	-68%	-31	Buldhana	-53%	-79
Shimoga	75%	-37	Khammam	-53%	-21			
Bagalkot	-38%	-51	Warangal	-83%	-2			
Dharwad	9%							
Chamarajnagar	-4%							
Hassan	27%							

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Current	Week Ago	Month Ago	2 Month Ago	Year Ago
		(23 th August, 2011)				
Delhi	Hybrid	1150	1100	1100	1135	1025
Davangere	Bilty	1250	1240	1180	1250	1015
Nizamabad	Bilty	1310	1290	1280	1280	1090
Naugachia	Bilty	1050	1000	925	975	910
Kolkata	Mill	1230	1225	1170	1200	1010
Ahmedabad	Feed	1265	1310	1275	1290	1140
	Starch	1225	1240	1230	1250	1150

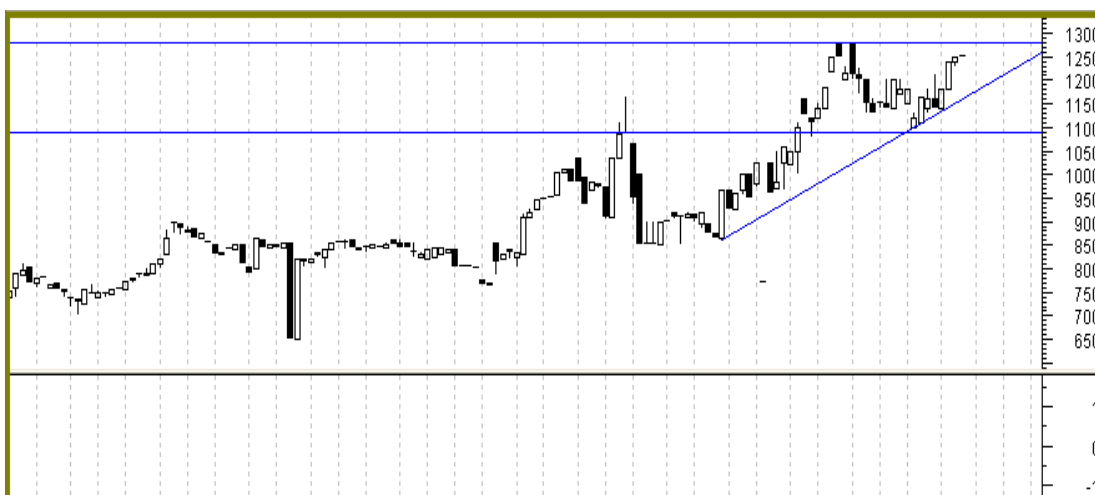
Date	Delhi Market			Spread with Wheat	Spread with Wheat in July 2011	Spread with Bajra	Spread with Bajra in July 2011
	Maize	Wheat	Bajra				
1-Aug-11	1160	1185	905	-25	-100	255	100
2-Aug-11	1160	1185	905	-25	-101	255	100
3-Aug-11	1160	1180	905	-20	-65	255	150
4-Aug-11	1160	1165	905	-5	-70	255	140
5-Aug-11	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	210
14-Aug-11	1100	1180	825	-80	-55	275	210
15-Aug-11	1100	1180	825	-80	-60	275	210
16-Aug-11	1100	1185	825	-85	-55	275	210
17-Aug-11	1100	1175	825	-75	-62	275	210
18-Aug-11	1100	1178	825	-78	-97	275	150
19-Aug-11	1145	1175	850	-30	-100	295	155
20-Aug-11	1150	1175	850	-25	-95	300	150
21-Aug-11	1150	1175	850	-25	-95	300	150
22-Aug-11	1150	1175	850	-25	-90	300	150
23-Aug-11	1150	1160	850	-10	-90	300	150
Average	1120.9	1182.1	906	-61.14	-40.59	214.91	151.76

Comparative Prices: Likely Impact on Maize Demand:

- Average price spread between Maize and Wheat widened to Rs. (61.14) per quintal as on week (23rd August 2011) vis-a-vis spread of Rs.57.6 until previous week. The same is in comparison to average spread of Rs. (40.59) as on same date, a month ago.
- Much of the above move remains an outcome of increase in Maize Prices in comparison to decline in wheat prices. Average spread between the two gets wider than the last month's level of Rs. (40.59) and remain supportive for the wheat in comparison to Maize 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 also heads near significant peak (resistance), nearness to the same suggest caution to the bulls.
- 1230 on the lower side becomes the significant support for the price, while 1280 is the immediate capable resistance levels.
- **Strategy:** Buying at dips near 1230 can be the trading strategy with a strict stop loss below 1215, while profit booking can be expected around 1280 level, on the higher side.

International Market Highlights:

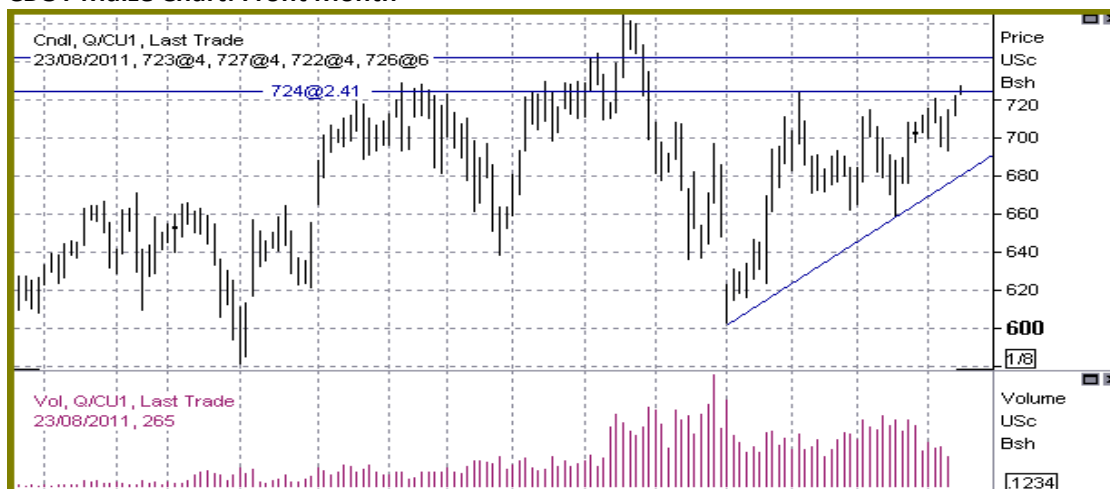


- Chicago new-crop corn climbed to a contract high on Tuesday, as the condition of the U.S. corn crops continued to slide, raising concerns over supplies. U.S. corn condition ratings declined more than expected last week as dry weather in the U.S. Midwest stressed the crops nearing maturity as put by U.S. Agriculture Department. USDA rated the corn crop at 57 percent good to excellent, down 3 percentage points from the previous week and down 13 points from a year ago. Each crop is going through its crucial pollination phase and more rain is needed to help finish the crop. Showers over the weekend buoyed prospects for the filling corn, but some of the driest areas missed out and more rain is needed soon.
- Corn yield potential across the heart of the U.S. Midwest will likely face further losses if rains fail to come soon, as put by agricultural meteorologist. The driest areas so far this month have stretched from southeast South Dakota, across southern Minnesota, the northern and eastern half of Iowa into central Illinois and southwest Indiana.
- Corn yield prospects in Ohio were highly variable and generally down from last year as planting delays and periods of sweltering heat that rushed crop development dragged down crop potential. Soybean pod counts were up slightly from a year ago, but the crop's lagging maturity and dry soil conditions suggest the crop may struggle to match last season's yields as put by scouts on the Pro Farmer Midwest Crop Tour. Excessive rains this spring in Ohio and elsewhere in the eastern Midwest stalled corn planting by more than a month in some cases and when the crop was finally planted it was often in overly wet soils. That caused some of the planted seeds to fail, leaving large gaps in many fields. Later, much of the crop pollinated during the hottest summer weather in late July, resulting in ears that were not fully filled with grain.
- Also, some crops may not be ready for harvest until mid-October or later, making them vulnerable to an early frost. Crop scouts calculated an average corn yield of 156.26 bushels per acre (bpa) in Ohio based on samples from 105 fields in the central and eastern parts of the country's No. 7 corn producing state. The figure was about 6 percent below the 2010 tour figure of 165.60 bpa and down modestly from the tour's three-year average of 158.03 bpa.
- Corn yield projections in South Dakota fell 1.7 percent below 2010 forecasts due to a combination of late planting and scorching summer temperatures as found by scouts on an annual tour. The annual Pro Farmer Midwest Crop Tour forecast an average corn yield at 141.10 bushels per acre, based on surveys of 39 fields. A year ago, scouts projected the average corn yield at 143.59 bushels per acre. The tour's three-year average for South Dakota is 146.06 bushels per acre. The heavy rains throughout the spring, which led to planting delays around the Corn Belt and robbed the crop of

some harvest potential, also helped sustain corn and soybean during the heat and dry conditions of July and August.

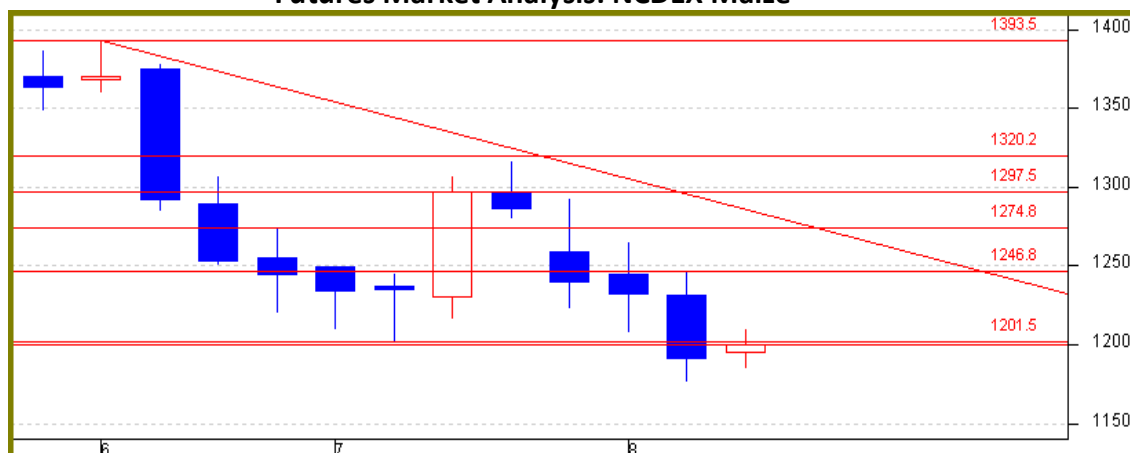
CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Maize Price Trend remains range bound with positive bias. Price tries to break above the upper trend line range.
- 710-745 becomes the trading range for the price; drift in either direction is likely to take the price further in the respective same.
- Strategy: Buying at dips continue to be the applicable trading strategy until 700 on the lower side stay unbreached while below the same traders may look to reverse the trade.

Futures Market Analysis: NCDEX Maize



(Weekly Chart)



- Maize price trend remain weakly poised. Correction continues, price also hovers in oversold territory
- 1185 is the immediate support (on closing basis) for the price, 1185-1220 is the immediate 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:** Selling at high near 1225 or below 1190 can be undertaken. 1245 on the higher side becomes the reversal level.

Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1175	1185	1204	1220	1245

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