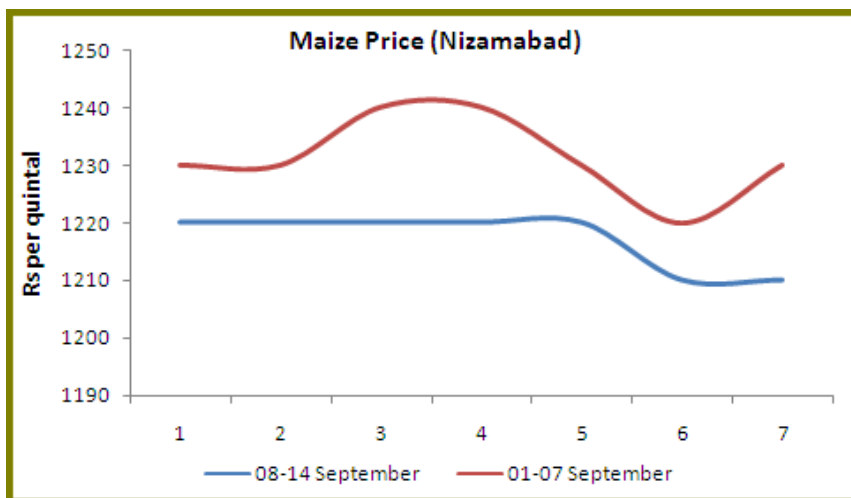


Domestic Market Recap

Maize prices eased by 0.82% in the week ended September 14 2011 as compared after remaining steady in the week prior. While demand was normal, anticipation of new crop hitting the market, kept the big firms from stocking.

Also taking the advantage of the scenario, the exporters bought heavily in the market as the Indian maize finally came in parity with the international markets. Also most of the stockist liquidated in anticipation of pick up in fresh arrivals by next week



Business by rake was reported

from centres like Rannebennur where 3 rakes were booked, Bagalkot 2 rakes and Bijapur 1 rake was booked. The businesses were reported for Kakinada and Tuticorin. Kakinada price was Rs.12750 PMT FOR and for Tuticorin it was Rs.12550 PMT FOR. Buyers were Suraj Impex buying 2 rakes for Tuticorin and VAS Exports for 3 rakes for Tuticorin.

On the Export front:

Dalian market in China continued to quote around USD 352 - 359 PMT ex warehouse. Hence there was buying interest from China upto USD 316 - 318 CFR Dalian port, whereas there was no buying interest witnessed from Vietnam which eyes the local crop. Some buying interest also emerged at USD 290 CFR Malaysian ports. Indonesian markets - About 7000 - 8000 MT of business was done for October November shipment with price ranging between USD 288 - USD 300 PMT CFR Indonesian ports of Belawan/Surubaya/Jakarta.

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

Godrej Hubli	No buying
CP Bangalore	*13000

Riddhi Siddhi Bio Glycols,Gokak	No buying
Sahyadri Starch,Miraj	
VHL Sholapur	No buying
Godrej Chitradurga	12700
* All paid price	

Current Market Dynamics:

In Nizamabad (Andhra Pradesh), reportedly demand exist from small poultries, while bigger same hold the stocks with them. Stock of 5000 tonnes exists in Nizamabad while there remains a total stock of 70000 tonnes in Andhra Pradesh. New Crop arrival has started in the region and according to traders weather remains favorable (with sunshine following the rains), making the environment conducive for the same.

While Parity is said to be building up, quality issues are being anticipated from the export point of view. Moisture level of 16-17% in the immediate new crop is likely to remain a constraint for materialization of export deals.

Market Sources in Ahemdabad convey that, demand has been affected a bit as anticipation of further dip in the price on new crop arrival and also the recent rains disrupts the arrival.

In Davengere, demand remains reportedly good with no crop loss reported due to the recent excess rains. New crop is expected to hit in first week of October. New crop is anticipated to have a moisture content of about 18-20%. Participants expect limited downside to the price, as impact of improvement in arrivals is likely to be offset by pick up in both domestic as well as export demand, once the moisture level reduces upto desired level.

According to the sources in Bihar, about 75 per cent of harvested maize is of inferior quality as regular heavy rains affected the quality and rest 25 per cent which of normal quality going to starch industry in Gujarat and Uttaranchal. No demand from exporters as well as poultry from southern part of the country is reported during the month despite of attractive prices as compared to other sourcing center in South as mismatch in quality requirement keeping the buyers in sidelines.

Weather:

Weekly Rainfall departure: As reported by IMD

Monsoon rains in India until Sept. 7 were 3% above average, as put by the India Meteorological Department. The country received 782.2 millimeters of rainfall so far this season, compared with the 50-year average of 761.7 millimeters.

During the week ended 7th September, the country as a whole received above normal rainfall on all the days. During this monsoon season so far, country as a whole has received highest weekly rainfall (39% above LPA) during this week. The seasonal rainfall for country as a whole has now become 103% as against 100% of the LPA till previous week

Maize Total Area sown, reportedly reach at 73.18 lakh hectares as on 9th September as compared to 74.39 lakh hectares until the same time a year ago. Maize Sowing in Karnataka has completed 99% until 22nd August 2011, the same was done upto 98% in Madhya Pradesh until 23rd August. In Andhra Pradesh, it has completed about 96% as on 07th September 2011. Total Maize Area in Andhra Pradesh reach at 0.48 million hectares as compared to 0.42 million hectares sown last year.

In a new development, government issued first advance estimate for 2011-12 and according to the same, Maize Production is anticipated lower at 15.86 million tonnes as compared to 16.32 million tonnes estimated in 2010-11

	Area Sown in Million Ha. In 2011
Andhra Pradesh	0.48
Bihar	0.3
Karnataka	1.11
Madhya Pradesh	0.87
Maharashtra	0.66
Rajasthan	1.05
Tamil Nadu	0.034
Uttar Pradesh	0.8

(Source: State agriculture depts.)

Karnataka	% Departure as on -31- 08-2011	% Departure as on -07- 09-2011	Andhra Pradesh	% Departure as on -31- 08-2011	% Departure as on -07- 09-2011	Maharashtra	% Departure as on -31- 08-2011	% Departure as on -07- 09-2011
Davangere	20%	66%	Guntur	13%	-86%	Solapur	139%	-485
Haveri	61%	343%	West Godavari	123%	-36%	Ahmednagar	163%	61%
Belgaum	146%	338%	Karimnagar	72%	-7%	Sangli	134%	263%
Bellary	-62%	-37%	Nizamabad	182%	-33%	Pune	226%	266%
Chitradurga	9%	-21%	Krishna	25%	-71%	Buldhana	89%	86%
Shimoga	143%	532%	Khammam	46%	-2%			
Bagalkot	-59%	43%	Warangal	41%	-6%			
Dharwad	58%	178%						
Chamarajnagar	-45%	-8%						
Hassan	4%	142%						

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		14 th September, 2011				
Delhi	Hybrid	1050	1050	1100	1135	1050
Davangere	Bilty	1190	1240	1240	1190	1130
Nizamabad	Bilty	1210	1230	1290	1280	1225
Naugachia	Bilty	1050	1050	1025	1000	925
Kolkata	Mill	1250	1300	1225	1160	1060
Ahmedabad	Feed	1200	1240	1270	1290	1180
	Starch	1150	1190	1240	1230	1135

Comparative Prices: Likely Impact on Maize Demand:

Date	Delhi Market			Sprea d with Wheat	Spread with Wheat in Aug 2011	Spread with Bajra	Spread with Bajra in Aug 2011
	Maize	Wheat	Bajra				

1-Sep-11	1100	1165	825	-65	-25	275	255
2-Sep-11	1100	1150	825	-50	-20	275	255
3-Sep-11	1100	1150	825	-50	-5	275	255
4-Sep-11	1100	1150	825	-50	-20	275	225
5-Sep-11	1100	1140	815	-40	-55	285	240
6-Sep-11	1090	1140	825	-50	-56	265	240
7-Sep-11	1050	1135	825	-85	-70	225	240
8-Sep-11	1050	1140	825	-90	-75	225	240
9-Sep-11	1050	1145	825	-95	-85	225	275
10-Sep-11	1050	1155	825	-105	-85	225	275
11-Sep-11	1050	1155	825	-105	-80	225	275
12-Sep-11	1050	1155	840	-105	-80	210	275
13-Sep-11	1050	1150	840	-100	-80	210	275
14-Sep-11	1050	1150	840	-100	-80	210	275
Average	1070.7	1148.6	827.5	-77.9	-58.3	243.2	257.1

- Average price spread between Maize and Wheat widens to Rs. (77.9) per quintal as on 14 September as compared to the spread of Rs. (58.3) per quintal until same time last month.
- Much of the above move remains an outcome of decline in Maize Prices as wheat prices remain steady. Widened spread between the two, improve prospects for the Maize demand in comparison to wheat.
- Price spread between Maize and Bajra, however continue to remain positive and wide but depicts a narrower gap as compared to last month. Bajra prices recoup, towards the mid September.

Spot Price (Loose) at Karnataka: Price Outlook

Maize: Davangere (Loose Price)



- Maize Price trend continue to remain weakly skewed. Bears keep the upper hand, while supports also prevail.
- 1100 on the lower side is the significant support for the price, while 1180-1200 is the significant resistance zone on the higher side.
- **Strategy:** Sell on rise near 1180 with targets of 1150/1100. A cross above 1210 will however redo hopes for bulls so remain cautious around the same and reversing the trade, above the same may be eyed at but only subject to confirmation of the same.

International Market

Highlights/Current Developments:

Chicago corn drift lower and trade close to a four-week low as the market inherit pressure by prospects of weakening demand for U.S. supplies. After months of focusing primarily on the deteriorating state of the emerging crop, corn market participants are now turning their attention towards the state of demand. Even in the wake of the recent aggressive cut to U.S. production forecasts by the U.S. Department of Agriculture, corn prices have generally favored the downside lately as traders look beyond the potential shortfall in fresh supplies to the longer-term impact of fading consumption interest among key user groups.

US feed grain supplies are projected lower for 2011-12 in anticipation of reduced corn production as summer heat and dryness affects their yield forecasts. Corn production projection for 2011-12 is revised lower at 317.44 million tonnes from a 328.03 million tonnes, projected a month earlier. While demand also is projected lower on account of down revisions made for Exports as well as domestic usage which consequently is likely to lead to a cut of 1.07 million ton cut in the ending stock. While Global corn prices derive positive impact from the same and likely to continue doing so, new crop arrival pressure is likely to bring down prices further, before they derive support.

US Average corn yields are forecast at 148.1 bushels per acre, down 4.9 bushels from august and 16.6 bushels below the 2009-10 record.

Outlook:

Yield and production cuts in US remain discounted as a cue, while demand takes on as a current driver as the same is affected at the higher price levels. However price is likely to derive support at the lower levels on downward revisions in ending Stocks on anticipated production cuts in US.

CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Maize Price corrects from the highs as indicated, while the same may extend, lower supports may come to the rescue.
- 690-725 becomes the immediate trading range for the price; drift in either direction is likely to take the price further in the respective same.
- Strategy: While selling pressure is likely near higher resistances, the same is likely to reduce around supports, so ranged move may be anticipated, keeping in mind the negative bias.

Futures Market Analysis: NCDEX Maize



(Continuous Weekly Chart)

- Maize price trend becomes range bound. Recovery from lows happen, continuation of the same remains skeptical.
- 1100-1150 is the broad trading range for the price. Drift in either direction will take it further in the respective same.
- Positioning of RSI in the weekly still favor bears.

Maize NCDEX (October)

Support & Resistance				
S2	S1	PCP	R1	R2
1080	1100	1138	1150	1170

- **Strategy:** Buying near 1100, to capture the move led by short covering remains a likely trading strategy with a alternate plan to book profits near significant resistance and also reversing the trade near the same after confirmation comes in. Bears still own the trend while bulls get under cover and might recover more of the losses made.