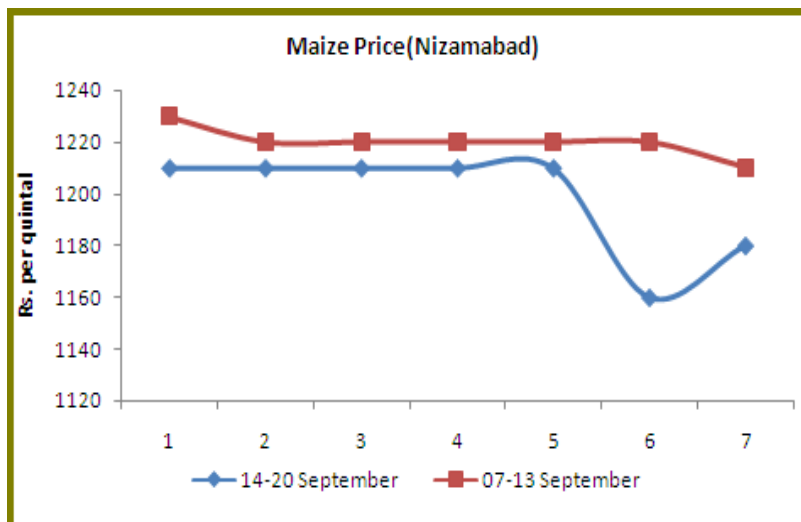


Domestic Market Recap

Maize prices fell by another 2.48% in the week ended 20 September 2011 as compared to a like decline in a week prior. While demand remained normal, new crop arrival pressure kept weighing on the price. Lower Maize Area coverage and consequent lower revisions in the total production projection for 2011-12, remain a supportive factor.

On the Export front:

According to market sources, recently one of the Indian exporters from Chennai had 3000 MT of maize consignment rejected on quality issues, from Chinese buyers. It is also reported the Indian cargo after landing is not being utilized at China but is further shipped to North Korea for human consumption.



Vietnam continues to remain on the sidelines and it fulfills the requirement from the local crop. Further from Malaysian market, business was reported at USD 290 - 95 CFR Malaysian ports. Shipments are also being priced around USD 300 PMT CFR Indonesian ports of Belawan/Surabaya/Jakarta. Business of one vessel of 10000 MT was done at USD 290 PMT FAS Kakinada for November - December shipment.

Current Market Dynamics:

In a recent development in Nizamabad (Andhra Pradesh), new crop arrivals have started up and the same increase to 1500 bags as on 19th September as compared to 250 bags, witnessed until 10 September. While the supplies rise up, recent rains restrict the quantity, which is likely to rise up, once the rains ease. On the demand front, small poultries continue to buy, while big firms stay on sidelines as they wait for the reduction in the moisture level, in the new crop, which currently hover around 16%.

Sources in Bihar (Naugachia), convey that price outlook remain bleak as both demand and supply remain low as quality remains a issue and whatever is being sold, is out of the stocks (of better quality), therefore it remains scarce and hence a price supportive factor.

Market Participants in Delhi, convey that they attain supplies from UP (New crop) and they further anticipate to receive the same from Rajasthan from October. They further convey that, demand prospects remain bright.

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. No major shift in fundamentals is seen as compared to the prior week.

Weather:

Weekly Rainfall departure: As reported by IMD

Monsoon rains in India in the season until Sept. 16 remained 3% above average, as put by the India Meteorological Department. During the week ended 14 September, central India and south Peninsula received above normal rainfall on many days. The all India rainfall during the week was 1% above Long Period Average (LPA).

The cumulative seasonal rainfall for the country as a whole from 1-14 September has been 20% above the LPA with above normal rainfall over all homogenous regions except east & northeast India, where the rainfall was 45% below LPA.

Maize Total Area sown, reportedly reach at 74.19 lakh hectares as on 16th September as compared to 74.42 lakh hectares until the same time a year ago. Further, according to government's first advance estimate for 2011-12, Maize Production is anticipated lower at 15.86 million tonnes as compared to 16.32 million tonnes estimated in 2010-11.

Maize Area in Andhra Pradesh, which remains covered around 97% at 4.86 lakh hectares as on 14th September 2011, exceeds last year's level of 4.40 lakh hectares, until the same time last year.

	% Departure as on -07- 09-2011	% Departure as on -14- 09-2011		% Departure as on -07- 09-2011	% Departure as on -14- 09-2011		% Departure as on -07- 09-2011	% Departure as on -14- 09-2011
Karnataka			Andhra Pradesh			Maharashtra		
Davangere	66%	-49%	Guntur	-86%	-65%	Solapur	-485	-92%

Haveri	343%	5%	West Godavari	-36%	-20%	Ahmednagar	61%	-91%
Belgaum	338%	40%	Karimnagar	-7%	11%	Sangli	263%	-91%
Bellary	-37%	-84%	Nizamabad	-33%	-65%	Pune	266%	-66%
Chitradurga	-21%	-76%	Krishna	-71%	-36%	Buldhana	86%	-67%
Shimoga	532%	183%	Khammam	-2%	65%			
Bagalkot	43%	-50%	Warangal	-6%	159%			
Dharwad	178%	-8%						
Chamarajnaragar	-8%	-79%						
Hassan	142%							

While the rains in Karnataka ease of in the week ended 14 September as compared to excessive same in a week prior, the same in Andhra Pradesh is likely continue to remain normal to slightly weak, barring Warangal region, where the same remain in excess. Rains in Maharashtra also get weaker in the latest week. No major impact of the same is reported on the crop or the arrival.

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		19 th September, 2011				
Delhi	Hybrid	1060	1050	1145	1100	1050
Davangere	Bilty	-	1180	1230	1200	1135
Nizamabad	Bilty	1160	1220	1280	1230	1225
Naugachia	Bilty	1050	1075	1025	975	925
Kolkata	Mill	1260	1275	1275	1170	1050
Ahmedabad	Feed	1200	1200	1280	1260	1200
	Starch	1160	1160	1240	1220	1135

Comparative Prices: Likely Impact on Maize Demand:

Date	Delhi Market			Spread 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
15-Sep-11	1060	1160	840	-100	-85	220	275
16-Sep-11	1050	1175	835	-125	-75	215	275
17-Sep-11	1050	1175	835	-125	-78	215	275
18-Sep-11	1050	1175	835	-125	-30	215	295
19-Sep-11	1060	1185	840	-125	-25	220	300
Average	1066	1155.3	830	-88.95	-58.4	236	264.2

- Average price spread between Maize and Wheat widens to Rs. (88.95) per quintal as on 19 September as compared to the spread of Rs. (58.4) per quintal until same time last month.
- Much of the above move remains an outcome Maize Prices, maintaining at lower levels as wheat prices surge higher. Further Widening of spread between the two, continue to better prospects for the Maize demand in comparison to wheat.
- Price spread between Maize and Bajra, however continues to remain positive and wide but continue to depict a narrower gap as compared to last month. Bajra prices remain almost steady in the week ended 19th September in comparison to the last week.

Spot Price (Loose) at Karnataka: Price Outlook
Maize: Davangere (Loose Price)



- Maize Price trend remain range bound. Price recoups from the lows but likely to locate resistance at higher levels.
- 1100 on the lower side continue to be the significant support for the price, while 1180-1200 is the prevalent 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:

In a recent development, Asian grain traders are eyeing the contemporary price declines for a buying opportunity as better-than-expected crop data put downward pressure on prices.

In South Korea, buyers are seeking more than a million tons of feed corn. There may also be interest from Japan, which hasn't bought even 25% of its intended purchases of the 3.2 million tons of feed-grade corn it requires for October-December shipment. Japan is also slow in finalizing prices of the imports made so far because traders are expecting a downward correction in prices.

Further, U.S. corn yields may be revised upwards to 149-150 bushels/acre in the next few months due to a better-than-expected crop in many states, as put by a member of the Asia Advisory Team to the U.S. Grains Council.

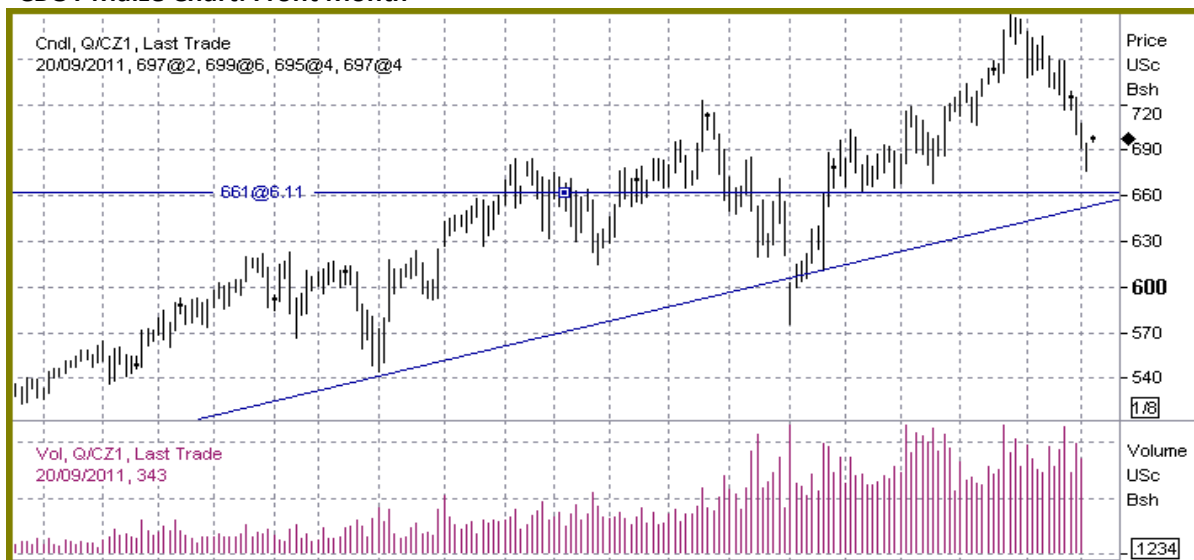
The U.S. Department of Agriculture, in a monthly report last week, pegged the average corn yield at 148.1 bushels/acre, that remain lower from the earlier forecast of 153 bushels.

Outlook:

Current drift in the prices, may facilitate buying at lower levels and the same is likely to remain the supportive driver for the price however higher yield revisions in US may offset some of the impact. Likely new crop arrivals may further weigh on the price.

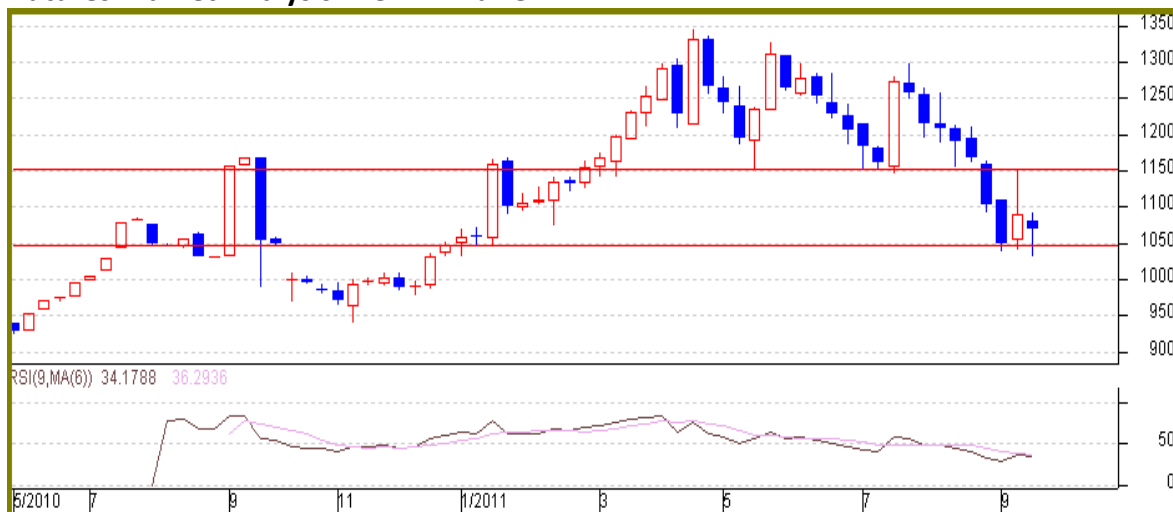
CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Maize Price continues to correct from the highs, while the price also reach near significant support level as well.
- 660-720 is the broad 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, with bears maintaining the upper hand.

Futures Market Analysis: NCDEX Maize:



(Continuous Weekly Chart)

- Maize weekly price trend remain weak. Recovery from lows happens, but resistances at higher levels, restrain the price, on its way higher.

Maize NCDEX (October)

Support & Resistance				
S2	S1	PCP	R1	R2
1045	1055	1078	1088	1100

- 1055-1188 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 chart still favor bears.
- **Strategy:** Sell at high near 1100/1110, keeping in mind a lower target of 1050/1035. 1150 on the higher side remains the reversal level, although.