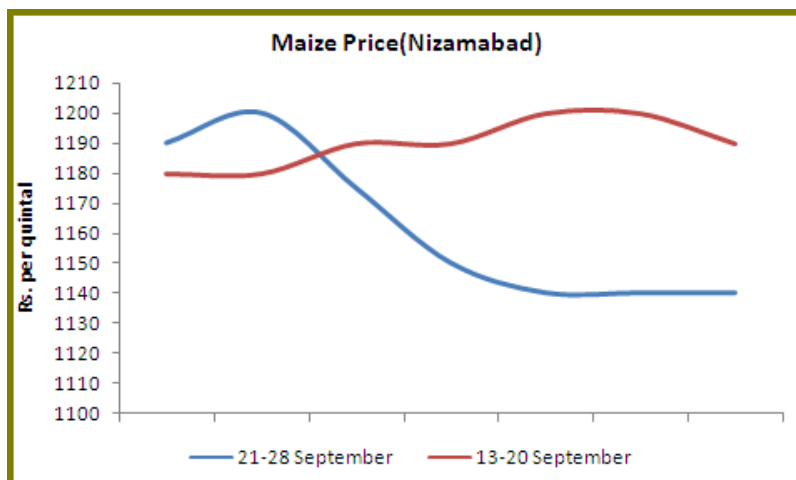


Domestic Market Recap

Maize prices plunged by 4.2% in the week ended 28 September 2011 as compared to declines of 0.84% in a week prior. New crop arrival along with Weak domestic demand depressed the price sentiment.

On the Export front: enquiries took place and even some business took place. While new crop that contained high moisture, did not find buyers, old crop stocks were preferred for the same.

Recently corn business done for Malaysia at USD 275 CFR Port Klang while Vietnam continue to remain on sidelines amidst no buying interest as it continue to remain dependant on the local crop. Business with Malaysian market was reported at USD 280 - 85 CFR Malaysian ports whereas shipments are being priced around USD 300 PMT CFR Indonesian ports of Belawan /Surubaya/Jakarta.

**Current Market Dynamics:**

In a recent development in Nizamabad (Andhra Pradesh), new crop arrivals have increased in to as high as 6000 bags as on 26 September as compared to the same of 1500 bags as on 19th September. The same comes with a moisture content of 14-15%, which is reportedly restricting the export deals that are being enquired for.

Demand from Poultry Remains good as Maize is being dispatched to Hyderabad, catering to buyers for both Poultry and starch, however big buyers still wait for the better quality maize at a better rate. This remains a case while the old crop stocks remain consumed.

Sources in Bihar (Naugachia) convey that price is likely to keep trading inside the range around current levels as market lack fresh cues. Majority of the crop is of inferior quality, which in a new development is being demand and hence exported to Bangladesh and it remains a supportive factor for the price, but provide the same in the least.

In Davengere, new crop arrival started towards September end, however demand face a reduction as the same from Tamil Nadu, reduces as they get own Maize crop unlike last season. Further the

old crop stocks in Davengere hovers around 20000 tonnes and about 50000 tonnes in the whole Karnataka. Demand for new Maize crop also succumbs due to high moisture content of 16-17%, however the same is likely to improve only after a month or so when the good quality (with desirable moisture) comes in.

Weather, Crop progress and Yield Assessment

Monsoon rains in India during the week (15-21 September), were above normal on many days as put by the India Meteorological Department. The all India rainfall during the week was 29% above Long Period Average (LPA). During this monsoon season so far, east & northeast India has received highest weekly rainfall (43% above LPA) during this week. The seasonal rainfall for country as a whole has now become 104% as against 103% of the LPA till previous week.

Maize Total Area sown, reportedly reach at 75.36 lakh hectares as on 23rd September as compared to 75.19 lakh hectares until the same time a year ago.

Maize Area in Andhra Pradesh is sown higher in 4.8 lakh hectares as on 21 September as compared to 4.4 lakh hectares sown until same time last year. While there is no crop loss reported, moisture content in the crop remains high. Further, as per gathered view from the trade sources yields are likely to remain higher by about 10% as compared to last year as late rains covered up the impact of early dryness, caused by deficiency in the same.

Weekly Rainfall departure: As reported by IMD

	% Departure as on -14- 09-2011	% Departure as on -21- 09-2011		% Departure as on -14- 09-2011	% Departure as on -21- 09-2011		% Departure as on -14- 09-2011	% Departure as on -21- 09-2011
Karnataka			Andhra Pradesh			Maharashtra		
Davangere	-49%	-72%	Guntur	-65%	-23%	Solapur	-92%	-64%
Haveri	5%	-70%	West Godavari	-20%	-79%	Ahmednagar	-91%	-6%
Belgaum	40%	-82%	Karimnagar	11%	2%	Sangli	-91%	-55%
Bellary	-84%	-87%	Nizamabad	-65%	-22%	Pune	-66%	-39%
Chitradurga	-76%	-61%	Krishna	-36%	-74%	Buldhana	-67%	40%

Shimoga	183%	78%	Khammam	65%	-53%			
Bagalkot	-50%	-55%	Warangal	159%	-32%			
Dharwad	-8%	-82%						
Chamarajnagar	-79%	-82%						
Hassan	-7%	-70%						

While in Karnataka (Davengere), sources convey that Yields of Maize crop are likely to plunge by about 15% as erratic rains (excess in few regions and deficient in others), are likely to weigh on the same. Maize is sown in 12.3 lakh hectares as on 19th September.

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		27 th September, 2011				
Delhi	Hybrid	1030	1060	1125	1150	1055
Davangere	Bilty	1140	1190	1225	1225	1030
Nizamabad	Bilty	1120	1180	1260	1280	1230
Naugachia	Bilty	1075	1050	1075	1000	955
Kolkata	Mill	1275	1260	1280	1170	1120
Ahmedabad	Feed	1200	1220	1250	1275	1190
	Starch	1140	1160	1205	1230	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
20-Sep-11	1060	1195	840	-135	-25	220	300
21-Sep-11	1060	1175	840	-115	-25	220	300
22-Sep-11	1060	1170	840	-110	-10	220	300
23-Sep-11	1060	1165	820	-105	-35	240	245
24-Sep-11	1030	1170	820	-140	-35	210	245
25-Sep-11	1030	1170	820	-140	-40	210	300
26-Sep-11	1030	1165	820	-135	-45	210	300
27-Sep-11	1030	1170	820	-140	-45	210	300
Average	1060	1160.4	829.3	-100.4	-50.7	230.7	270.7

- Average price spread between Maize and Wheat widens further to Rs. (100.4) per quintal as on 27th September as compared to the spread of Rs. (50.7) per quintal until same time last month.
- Much of the above move remains an outcome of the further fall in Maize Prices, while wheat remains broadly steady. 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 fell 2.38% in the week ended 27th September.

Spot Price (Loose) at Karnataka: Price Outlook

Maize: Davangere (Loose Price)



- Maize Price trend remain range bound with weak bias. Price succumbed near resistance as indicated.
- 1080 on the lower side now becomes the significant support for the price, while 1160 is the prevalent significant resistance zone on the higher side.
- **Strategy:** Sell on rise near 1150 with targets of 1100/1060. A cross above 1180 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:

While Corn price at CBOT continue to plunge, barring a day or two when the same recovered, Corn export premiums at the U.S. Gulf Coast get steady as tight supply, following Midwest harvest delays and slow producer selling, drives it this way. Export demand for U.S. corn was sluggish and limited to conventional buyers such as Mexico, Japan and South Korea. Competition from rival corn exporters and from cheaper alternative feed grains, such as feed wheat, also restrict demand for U.S. corn.

Going further, market is likely to derive more cues from U.S. Agriculture Department's quarterly stock report to be released on 30 September. Market anticipates cuts in the corn stockpiles. Inventories at the end of the 2010/11 marketing year are expected to fall to 964 million bushels, down 44 percent from 1.708 billion a year ago and the smallest supply in eight year.

As per latest (September), IGC forecast Global maize production is expected to rise for a sixth consecutive year in 2011/12. Despite further reduction in US crop prospects, larger outturns in most other major producers are forecast to lift world output by 2%, to a record 845 million. tons. Although high prices are expected to cap US domestic and export demand, the country's carryover will be especially tight. World trade is forecast to fall slightly, as a projected increase in shipments to parts of Far East Asia and Latin America is outweighed by reduced EU import requirements.

Outlook:

Price is likely to derive support at lower levels as inventory cuts in US may remain a supportive cue for the market along with harvest delays in Midwest and capped export demand, although new crop arrival pressure is likely to continue suppressing the sentiment as prices will try to recover.

CBOT Corn Futures Outlook:

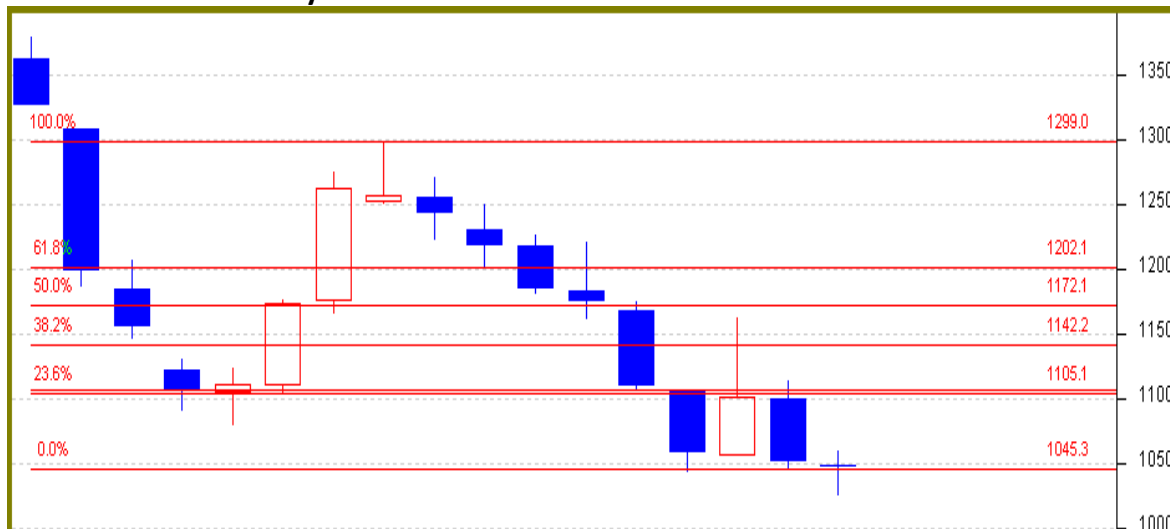
CBOT Maize Chart: Front Month



- Maize Price remain in corrective mode, Price also hover near a support juncture, which might lead to a pullback.

- 630-670 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, or even a pullback rally may intervene, although 685 on the higher side is likely to hold importance as a significant resistance(price will look to reverse above the same).

Futures Market Analysis: NCDEX Maize:



(Weekly Chart)

- Maize weekly price trend remain weak. Bounce from oversold levels, may intervene, although, higher resistances are likely to hold.
- 1035-1060 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 suggest oversold conditions.
- **Strategy:** Sell at high near 1075, with lower targets of 1040/1020. 1115 on the higher side remains the reversal level, although. However take note that, bounce may intervene the above move and if the same is the case, it can be captured as well, with due respect to support and resistance levels. (The same awaits confirmation as yet).

Maize NCDEX (October)

Support & Resistance				
S2	S1	PCP	R1	R2
1025	1035	1048	1060	1075

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