

Maize Market Fundamentals:

Steady to firm sentiments witnessed in various maize spot markets on Wednesday. Decrease in arrivals and moderate demand of corn from Poultry and Starch Industry support the maize prices today.

- Rabi sowing is catching the pace in Maharashtra state. It is noticeable that maize has been planted in 0.41 lac hectares till date under Rabi season which is 0.07 lac hectares higher compared to 2010-11
- Around 57% sowing has been completed in Maharashtra state for 2011-12 rabi season as reported.
- Corn is delivered to Kakinada and Mumbai ports for exports at FOB 1260 for destinations like Vietnam and Indonesia.
- Around 75% crop has been harvested in AP till date. Rest of the crop is likely to harvest till Nov-mid.
- Break bulk shippers like Louis Dreyfus (LD) are buying high moisture cargo (16-17% moisture) to fulfill their contracts for Chennai.
- Area has increased in AP for Maize in 2011-12 by 0.51 lac hectares compared to previous year. However, drought during sept and oct month in AP is likely to put impact on yield.
- World com production prospects improved during October. Good maize crop scenario by leading growers helps com production to take at 855 million tonnes in 2011-12 which is 3.5% up from previous year.
- Demand from Poultry and Starch industries have been witnessed which range between Rs 10500 PMT to Rs 11000 PMT, sources.
- Export demand of corn from Koppal market has been witnessed. 1 rake has moved for Kakinada from Koppal at FOR 1155 and 1 rake for Chennai port at FOR 1140 has been reported. Meanwhile 14% moisture content of corn has been witnessed in Koppal market.

Outlook: We expect maize prices to remain range bound with slight weakness on increasing new crop arrivals and prices are expected to decline by Rs 10-15 per quintal from the prevailing prices in bench mark market Nizamabad (AP).

International Market Scenario: US corn futures stage a surprising late rally, ending higher despite outside-market pressure, as end-user buying come in. Traders say bargain-hunters convinced prices were poised to climb boosted corn, although the extent of the rally, which occurred in the last 30 minutes of trade, suggested something else at play. Linn Group's Jim Riley says perhaps the rally stemmed from MF's liquidation, which "could mean liquidating shorts, too." He also notes traders were awaiting new crop estimates from FCStone due after the close. CBOT December corn ended up 7 1/4c at \$6.54 1/4 per bushel, up 22c from its intraday low.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		02-11-2011	01-11-2011	Change	02-11-2011	01-11-2011	Change
Delhi	Hybrid	1100	1080	+20	909	909	Unch
Nizamabad	Bilty	1040	1040	Unch	4000	4000	Unch
Davangere	Bilty	1080	1070	+10	2000	3333	-1333
Koppal	Bilty	Market Closed	1075	-	Market Closed	6000	-
Naugachia	Bilty	Market Closed	Market Closed	-	Market Closed	Market Closed	-
Kolkata	Mill	Market Closed	Market Closed	-	Market Closed	Market Closed	-
Ahmedabad	Feed	1150	1160	-10	4000	3000	+1000
Ahmedabad	Starch	1160	1160	Unch			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close
Nov-11	11.50	1090	1105	1090	1103
Dec-11	15	1112	1131	1112	1126.50
Jan-12	10.50	1142	1155	1142	1151.50

Spread	Nov-11	Dec-11	Jan-12
Spot	-63	-86.5	-111.5
Nov-11		23.5	48.5
Dec-11			25

Contract	Volume	Change	OI	Change
Nov-11	2550	1160	10530	-70
Dec-11	1790	1560	5770	-270
Jan-12	440	360	1410	90

Stocks	Demat	In-Process	Total	FED
	01.11.11	01.11.11	01.11.11	24.10.11
Davangere	-	-	-	-
Delhi	9929	0	9929	11568
Nizamabad	100	452	552	-

CBOT Corn Futures: (Unit: Cents/bushel) as on 2nd November 2011

Maize CBOT Daily Futures Price Listing (Cents/bushel)					
Contract Month	Open	High	Low	Close	Change
Dec'11	646.25	660.25	631.5	654.25	7.25
March'12	658.5	671.25	643.5	665.25	6.25
May'12	664.5	676	649.5	670	5
Jul'12	668.5	679.25	653.5	673.5	4.5
Sep12	625.5	634.5	614	630.75	4.75

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.