

Maize Market Fundamentals:

Prices remain steady in various maize spot markets on Thursday. Good domestic demand has offset the impact of increasing arrivals of maize.

- Indian corn is in demand due to lucrative Indian CIF prices compared to US CIF prices. Indian CIF is quoting at \$270 for Vietnam while US CIF is quoting at \$311-322 for Vietnam.
- Harvesting has been completed in Maharashtra state for Kharif crop 2011-12 as reported.
- 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 corn production prospects improved during October. Good maize crop scenario by leading growers helps corn production to take at 855 million tonnes in 2011-12 which is 3.5% up from previous year.

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 end lower on outside-market pressure and lackluster demand. Disappointment in the FOMC's decision not to take additional steps at this time to stimulate the economy dampened investor enthusiasm, encouraging traders to take profits following Tuesday's late rally, analysts say. A larger-than-expected crop forecast from Informa Economics added to the pressure, along with a lack of fresh demand. Exports have been weak recently. CBOT December corn ends down 1.4% at \$6.45/bushel.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		03-11-2011	02-11-2011	Change	03-11-2011	02-11-2011	Change
Delhi	Hybrid	1100	1100	Unch	1273	909	+364
Nizamabad	Bilty	1040	1040	Unch	4000	4000	Unch
Davangere	Bilty	-	1080	-	-	2000	-
Koppal	Bilty	-	Market Closed	-	-	Market Closed	-
Naugachia	Bilty	1075	Market Closed	-	3333	Market Closed	-
Kolkata	Mill	1275	Market Closed	-	5000	Market Closed	-
Ahmedabad	Feed	1160	1150	+10	3000	4000	-1000
Ahmedabad	Starch	1160	1160	Unch			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close
Nov-11	4	1103	1105	1093	1100
Dec-11	6.5	1122	1130	1122	1124
Jan-12	4	1155	1159	1151	1152

Spread	Nov-11	Dec-11	Jan-12
Spot	-60	-84	-112
Nov-11		24	52
Dec-11			28

Contract	Volume	Change	OI	Change
Nov-11	1270	-1280	10620	90
Dec-11	1040	-750	5630	-140
Jan-12	260	-180	1500	90

Stocks	Demat	In-Process	Total	FED
	02.11.11	02.11.11	02.11.11	31.10.11
Davangere	-	-	-	-
Delhi	9929	0	9929	5785
Nizamabad	100	605	705	-

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	653.25	659.5	640.5	645	-9.25
March'12	663.5	669.5	651	656	-9.25
May'12	668	674.25	657	662	-8
Jul'12	671.75	677.5	660.75	666	-7.5
Sep12	629.75	633.25	622.5	624.5	-6.25

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