

Maize Market Fundamentals:

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

- Arrivals in Davengere market is likely to arrive in the coming days which will possibly depress the maize prices upto some extent.
- Export of corn has been witnessed for Malaysia destination from Davengere via Mangalore port at FOB \$250 PMT as reported.
- Rains have been reported in Karnataka which delay the harvesting process of maize for Kharif crop. However, no damage from recent rains has been witnessed till yet.
- 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 at Rs 11600 PMT.
- 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 higher on lack of farmer selling and outside market support. Farmers have been content to let supplies sit in their bins rather than sell at prices they think are unlikely to decline, traders say. Uncertainty about the US crop is also underpinning the market, although traders say worries about a supply crisis from earlier in the year have faded. Prices were also supported by rallies in numerous asset classes today. Meanwhile, weekly export sales were at the high end of expectations, though Jerry Gidel of North America Risk Management Services notes expectations were low. CBOT December corn ends up 8 1/2c at \$6.53 1/2 a bushel.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		04-11-2011	03-11-2011	Change	04-11-2011	03-11-2011	Change
Delhi	Hybrid	1100	1100	Unch	1273	1273	Unch
Nizamabad	Bilty	1040	1040	Unch	4000	4000	Unch
Davangere	Bilty	1080	-	Unch	1500	-	-
Koppal	Bilty	1070	-	-	8000	-	-
Naugachia	Bilty	1075	1075	Unch	3333	3333	Unch
Kolkata	Mill	1275	1275	Unch	5000	5000	Unch
Ahmedabad	Feed	1160	1160	Unch			
Ahmedabad	Starch	1180	1160	+20	2000	3000	-1000

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close
Nov-11	5.5	1103	1118	1100	1105
Dec-11	1.5	1123	1142	1123	1127.5
Jan-12	2.5	1162.5	1170	1156	1157

Spread	Nov-11	Dec-11	Jan-12
Spot	-65	-87.5	-117
Nov-11		22.5	52
Dec-11			29.5

Contract	Volume	Change	OI	Change
Nov-11	4820	3550	10870	250
Dec-11	1370	330	6010	380
Jan-12	150	-110	1540	40

Stocks	Demat	In-Process	Total	FED
	03.11.11	03.11.11	03.11.11	31.10.11
Davangere	-	-	-	-
Delhi	9879	0	9879	5785
Nizamabad	100	756	856	-

CBOT Corn Futures: (Unit: Cents/bushel) as on 3rd November 2011

Maize CBOT Daily Futures Price Listing (Cents/bushel)					
Contract Month	Open	High	Low	Close	Change
Dec'11	644.75	658.5	640.75	653.5	8.5
March'12	655	668.25	651.5	663.75	7.75
May'12	662	674	657.5	669.5	7.5
Jul'12	665.5	678	661.75	675.25	9.25
Sep12	624.5	635	622.5	631.75	7.25

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