

Maize Market Fundamentals:

Firm sentiments have been witnessed in various spot markets of maize on Tuesday.

- Demand from Poultry & Starch Industries and firm export demand supported the uptrend.
- Sources say that prices may continue to move higher supported by the demand in the market and lack of supply in the market.
- Markets also moved higher as arrivals have slowed down in both AP as well as Karnataka. Sources in Tamil Nadu say that new arrivals are coming in but with a high moisture rate between 15-16%.
- Arrivals declined in all markets except for Davangere as farmers brought in more stock anticipating better returns.
- Maize productivity in India is low (~2414 kg per hectare) despite of large areas of Maize in India. It is noticeable that India got 4th no in terms of area in the world. USA, China, and Brazil have more maize area than India at present.
- Maize has been planted in 245000 hectares till 14th December 2011 in Bihar for Rabi season 2011-12 which is -4.7% higher compared to 2010-11 maize rabi sowing same period. Rabi has sowed in 257000 hectares last year same period.
- Indian CIF Maize prices (~\$281.69) have come down despite of recent increase in domestic prices of corn as stronger dollar prices give respite to exporters and take India get into the competition. Indian corn exporters are getting a stiff competition from exporters compared to Brazil CIF (~282.7) and Argentina CIF (~281.1).
- Exporters are asking for cargo at Rs.12150 - Rs.12200 PMT for Chennai. Malaysia has imported around 70,000 MT from Argentina which may slow down exports from India.
- Business in container done at USD 257 for Belawan port from Mumbai and Chennai. January onwards the market for container cargo to Indonesia should revive demand.

Outlook:

Domestic demand, regular buying from big poultry, starch industries and exporters continues to support prices at lower levels. Lower arrivals of corn in the market support the corn prices domestically. We expect that there is further potential of increase in corn prices in the coming days.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		20-12-2011	19-12-2011	Change	20-12-2011	19-12-2011	Change
Delhi	Hybrid	1200	1150	+50	455	545	-90
Nizamabad	Bilty	1100	1110	-10	200	200	Unch
Davangere	Bilty	1130	1135	-5	5000	3500	1500
Koppal	Bilty	1120	1100	+20	6000	12000	-6000
Kolkata	Mill	-	-	-	-	-	-
Ahmedabad	Feed	1225	1200	+25	2000	8000	-6000
Ahmedabad	Starch	1250	1250	Unch			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Dec-11	Jan-12	Feb-12
Dec-11	-5.5	1165.0	1165.0	1151.0	1161.0	Spot	-61.0	-84.0	-107.0
Jan-12	-	1184.5	1192.0	1173.0	1184.0	Dec-11	-	23.0	46.0
Feb-12	-	1202.5	1218.0	1200.0	1207.0	Jan-12		-	23.0

Contract	Volume	Change	OI	Change	Stocks	Demat 19.12.11	In-Process 19.12.11	Total 19.12.11	FED 19.12.11
Dec-11	730	-380	110	-320	Davangere	-	-	-	-
Jan-12	2900	-1420	7830	430	Delhi	3788	0	3788	3788
Feb-12	760	280	1710	160	Nizamabad	3691	0	3691	3691

Maize CBOT Daily Futures Price Listing (Cents/bushel) as on 19 th December 2011					
Contract Month	Open	High	Low	Close	Change
March'12	586.25	604.00	584.25	601.00	18.00
May'12	595.00	612.75	593.00	609.75	18.00
Jul'12	601.25	618.75	599.50	616.25	17.75
Sep'12	568.25	582.75	568.25	581.00	11.75
Dec'12	550.00	561.00	547.00	559.00	11.00

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