

Maize Market Fundamentals:

Steady to firm sentiments have been witnessed in various spot markets of maize on Wednesday.

- Demand from Poultry & Starch Industries may continue to support uptrend.
- Sources say that Vietnam has rejected a cargo of Indian corn because of quality concerns. The shipment was rejected because the destructive pest was detected. Indian corn is now being offered to Vietnam at around \$270/ton down from previous value at \$310/ton C&F. So this may slowdown exports from India.
- Arrivals declined Delhi as producers in were holding onto 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.
- Corn futures moved higher as a combination of ongoing concerns over dry weather conditions in Argentina and a broadly weaker U.S. dollar boosted prices. The dry weather conditions were likely to reduce soil moisture, potentially threatening yields and weighing on the quality of the harvest.
- March corn rose 6 cents to \$6.07 a bushel. USDA reported export inspections of U.S. corn in the latest week at 44.001 million bushels.
- However, going forward rain is forecast over South America on Thursday which may bring down prices.

Outlook:

Domestic demand, regular buying from big poultry, starch industries and lower arrivals continues to support prices at lower levels. However, weak demand from Vietnam may weaken export demand which may restrict upside. 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		
		21-12-2011	20-12-2011	Change	21-12-2011	20-12-2011	Change
Delhi	Hybrid	1200	1200	Unch	364	455	-91
Nizamabad	Bilty	1110	1100	+10	200	200	Unch
Davangere	Bilty	-	1130	-	-	5000	-
Koppal	Bilty	1140	1120	+20	6000	6000	Unch
Kolkata	Mill	-	-	-	-	-	-
Ahmedabad	Feed	1240	1225	+15			
Ahmedabad	Starch	1250	1250	Unch	4000	2000	+2000

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Dec-11	Jan-12	Mar-12
Jan-12	-2.5	1189.0	1189.0	1172.5	1175.0	Spot	25.0	-6.0	-
Feb-12	5.0	1217.0	1217.0	1202.0	1206.0	Jan-12	-	31.0	-
Mar-12	-	-	-	-	-	Feb-12		-	-

Contract	Volume	Change	OI	Change	Stocks	Demat 20.12.11	In-Process 20.12.11	Total 20.12.11	FED 19.12.11
Jan-12	1520	-1380	7770	-120	Davangere	-	-	-	-
Feb-12	530	-230	1830	120	Delhi	2997	0	2997	3788
Mar-12	0	-30	70	-	Nizamabad	3691	0	3691	3691

Maize CBOT Daily Futures Price Listing (Cents/bushel) as on 20 th December 2011					
Contract Month	Open	High	Low	Close	Change
March'12	600.00	608.50	596.25	607.00	6.00
May'12	608.75	617.00	605.00	615.75	6.00
Jul'12	615.25	623.50	611.75	622.25	6.00
Sep'12	580.00	586.25	578.50	584.50	3.50
Dec'12	558.00	565.00	554.00	563.50	4.50

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