

Maize Market Fundamentals:

Maize remained steady to firm in domestic markets as arrivals remained on the lower side.

- Consumer industries demand remained firm and lower arrivals may continue to support the prices.
- Demand from Poultry & Starch Industries may continue to support uptrend.
- Maize markets were also influenced by firm U.S markets as firm exports from the U.S are supporting the U.S futures.
- Arrivals declined Delhi as producers in were holding onto stock anticipating better returns. Producers in Ahmedabad offload stocks as better returns are prompting them to bring in more stock into the markets.
- 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 remained firm supported by unfavourable weather conditions in Brazil and Argentina.
- Trading volumes were expected to remain light ahead of the Christmas holiday weekend, as many traders have closed books before the end of the year, reducing liquidity in the market and increasing the volatility.
- March corn rose 1 cent to \$6.1750 a bushel.
- Corn moved higher supported by USDA report of Corn exports being higher by 47%. According to the USDA's latest U.S. Export report, corn net sales of 715,000 MT for the 2011/2012 marketing year.
- However, USDA say that Global corn output will rise 4.8% to 867.5 million metric tons in the season that began Oct. 1 2011, the sixth straight record crop which may restrict upside of prices.

Outlook:

Lower arrival and firm demand from consumer industries 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		
		23-12-2011	22-12-2011	Change	23-12-2011	22-12-2011	Change
Delhi	Hybrid	1200	1200	Unch	364	273	-91
Nizamabad	Bilty	1125	1110	+15	200	200	Unch
Davangere	Bilty	-	-	-	-	2500	-
Koppal	Bilty	1140	1140	Unch	-	6000	-
Kolkata	Mill	-	-	-	-	-	-
Ahmedabad	Feed	1250	1250	Unch	6000	3000	+3000
Ahmedabad	Starch	1275	1275	Unch			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Jan-12	Feb-12	Mar-12
Jan-12	21.5	1181.0	1210.0	1181.0	1200.5	Spot	-0.5	-35.0	-59.5
Feb-12	24.0	1223.0	1244.0	1213.0	1235.0	Jan-12	-	34.5	59.0
Mar-12	30.5	1240.0	1264.0	1240.0	1259.5	Feb-12		-	24.5

Contract	Volume	Change	OI	Change	Stocks	Demat 22.12.11	In-Process 22.12.11	Total 22.12.11	FED 19.12.11
Jan-12	5340	4030	8190	230	Davangere	-	-	-	-
Feb-12	1330	1090	2330	440	Delhi	2997	0	2997	3788
Mar-12	330	330	290	220	Nizamabad	3691	0	3691	3691

Maize CBOT Daily Futures Price Listing (Cents/bushel) as on 22 nd December 2011					
Contract Month	Open	High	Low	Close	Change
March'12	615.50	625.00	611.50	617.50	1.00
May'12	624.25	633.50	620.75	626.25	1.00
Jul'12	630.75	639.50	627.00	632.25	0.50
Sep'12	591.75	597.50	590.25	591.50	-1.25
Dec'12	570.00	574.00	566.00	566.50	-4.25

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.