

Maize Market Fundamentals:

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

- Demand remained normal may continue to support the prices.
- Maize markets were also influenced by firm U.S markets.
- Arrivals remained steady to weak in Delhi and Ahmedabad 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 are called 1 to 2 cents higher. The market is trading higher overnight, but choppy trade ahead of the holiday break is likely.
- The market is being underpinned by short-covering and concerns about dry weather in some corn growing areas of Brazil and Argentina.
- Upside was also 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		
		24-12-2011	23-12-2011	Change	24-12-2011	23-12-2011	Change
Delhi	Hybrid	1200	1200	Unch	364	364	Unch
Nizamabad	Bilty	Market closed	1125	-	Market closed	200	-
Davangere	Bilty	1150	-	-	1000	-	-
Koppal	Bilty	Market closed	1140	-	Market closed	-	-
Kolkata	Mill	-	-	-	-	-	-
Ahmedabad	Feed	1280	1250	+30			
Ahmedabad	Starch	1300	1275	+25	3000	6000	-3000

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Jan-12	Feb-12	Mar-12
Jan-12	-0.5	1200.0	1213.0	1200.0	1201.0	Spot	-1.0	-32.0	-62.0
Feb-12	0.5	1241.5	1242.0	1229.0	1232.0	Jan-12	-	31.0	61.0
Mar-12	4.0	1260.0	1265.0	1260.0	1262.0	Feb-12		-	30.0

Contract	Volume	Change	OI	Change	Stocks	Demat 23.12.11	In-Process 23.12.11	Total 23.12.11	FED 19.12.11
Jan-12	1750	-3590	8310	130	Davangere	-	-	-	-
Feb-12	330	-1000	2410	80	Delhi	2997	-	2997	3788
Mar-12	110	-220	330	50	Nizamabad	3691	-	3691	3691

Maize CBOT Daily Futures Price Listing (Cents/bushel) as on 23rd December 2011					
Contract Month	Open	High	Low	Close	Change
March'12	616.25	621.75	614.25	619.50	2.00
May'12	624.75	630.00	622.75	628.00	1.75
Jul'12	631.00	636.00	629.00	634.00	1.75
Sep'12	590.00	594.75	589.25	593.00	1.50
Dec'12	566.50	571.25	565.75	569.00	2.50

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.