

## **Maize Statistics at a Glance: International:**

### **World Maize Production Scenario:**

<b>Country wise Corn Production Scenario (In MMT)</b>					
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>US</b>	331.2	307.1	332.5	316.2	315.8
<b>China</b>	152.3	165.9	164.0	177.2	182.0
<b>Brazil</b>	58.6	51.0	56.1	57.5	61.0
<b>EU-27</b>	47.6	62.3	56.9	55.9	61.0
<b>Argentina</b>	22.0	15.5	23.3	22.5	27.5
<b>Mexico</b>	23.6	24.2	20.4	20.6	24.0
<b>India</b>	19.0	19.7	16.7	21.3	21.0
<b>Ukraine</b>	7.4	11.4	10.5	11.9	21.0
<b>Canada</b>	11.6	10.6	9.6	11.7	10.0
<b>World</b>	794.9	799.3	819.4	828.3	860.1

Source: US department of Agriculture

### **Highlights of the Month:**

- *Maize Prices have increased in various spot markets during the week ended during 31<sup>st</sup> November 2011. Prices in Davengere market have surged by 4.7% compared to previous month.*
- *Moreover, Demand from Poultry and Starch Industries is very good but they are availing lesser maize stock at present owing to paltry arrivals of maize.*
- *Meanwhile, Around 20% decline in Maize production has been reported in AP and Karnataka market due to lesser rainfall in the interior areas.*
- *Maize has been planted in 245000 hectares till date in Bihar for Rabi season 2011-12 which is - 4.7% lower compared to 2010-11 maize Rabi sowing same period. Rabi has sowed in 257000 hectares last year same period.*
- *Arrivals have declined in markets like Koppal, Davengere and Nizamabad which weighing to the maize prices in the coming month.*

### **Bull & Bears**

<b>Bulls</b>	<b>Bears</b>
Higher demand from Poultry and Starch Industries.	Continuation of New crop arrivals
Lesser arrivals	

Good Exports Demand	
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**Market Recap and Market Dynamics:**

Firm sentiments recorded in various corn spot markets during the month ended 31<sup>th</sup> November 2011. Higher corn domestic as well as export demand and lesser arrivals kept the prices at higher side during the month.

Prices have improved in Nizamabad market due to lesser arrivals this month. Normally around 64000 bags of maize are arriving in the market but this year only 57000 bags has been arrived this month which weigh on to the maize prices in Nizamabad market. However, market is expecting that arrivals of maize will increase after January as farmers expects to windup their sowing operations till then.

Month-wise Average prices of Maize at various markets					
Market	11-Oct	10-Nov	11-Nov	% Change from Prev. Month	% Change from Prev. Year
Delhi	1039	1019	1095	5.4%	7.46%
Davangere	1055	939	1105	4.7%	17.68%
Nizamabad	1040	953	1038	-0.2%	8.92%
Naughachia	1073	1064	1075	0.2%	1.03%
Koppal	1064	952	1078	1.3%	13.24%

**Key Buyers:**

Buyer	Purchase Prices (Rs/MT)
VHL Hubli	11300
Godrej Chitradurga	11400
CP Banglore	11800
Komaria Feeds	11300

Domestic demand from Poultry and Starch Industries was good. Movement of 40 rakes (25 from Koppal + 15 from Munirabad) has been reported in this season for various destinations like Chennai, tutikorin etc at FOR ranging Rs. 1180 to 1100. In total, Around 65 rakes of maize stocks have been moved from Karnataka markets to Chennai and Tutikorin at average FOR Rs 1150 per quintal.

Rake business has been reported from Davengere market for Chennai Delivery for 1 rake at FOR 1125. It is noticeable that till date 3 rakes of maize have been moved from Davengere market to ports for exports. Moisture content of maize is 14-15% as reported.

Also, Around 19 rakes of maize have been delivered from Bagalkot for this season for various destinations like Kakinada for exports purposes.

**Exports:**

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). Increased corn production scenario from countries like Argentina and Brazil drag the maize prices downwards.

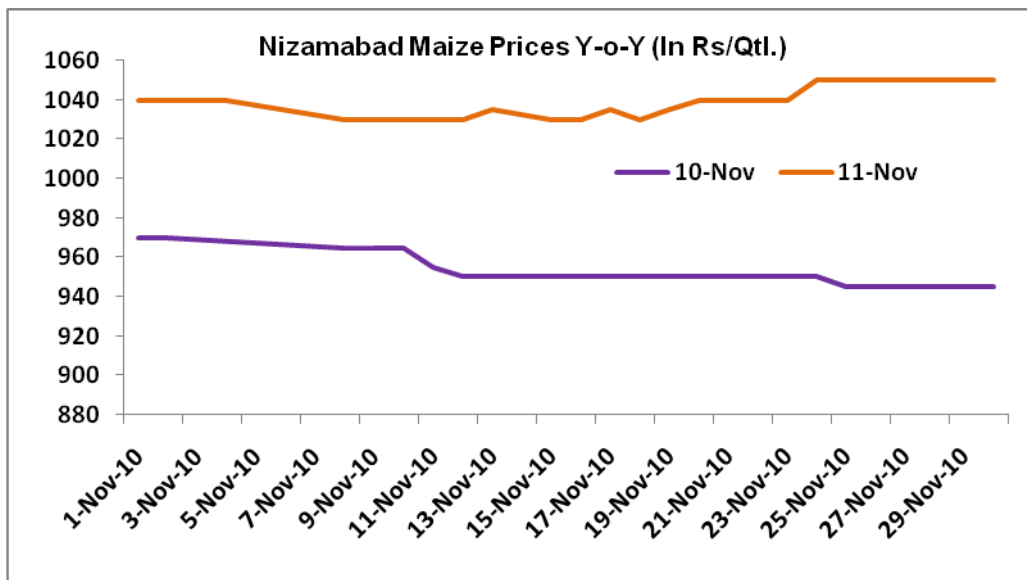
Indian CNF Rate to Thailand vs other Countries				
	Argentina	Brazil	US	India
<b>FOB</b>	231.1	227.7	250.7	247
<b>Freight for Thailand</b>	50	55	60	35
<b>Cost and Freight</b>	281.1	282.7	310.70	281.69

Meanwhile, Vietnam Market: No business has been reported from Vietnam as buyers are expected local maize arrivals in December. It is also reported that 3 vessels have been rejected in this season by Vietnam due to quality specifications haven't met.

Indonesian market: However, business has been reported from Indonesian market with around 6 break bulk vessels loading from ports like Vizag, Kakinada, Krishnapatanam, Chennai, Mangalore and Kandla. Major buyer is CP Indonesia. Sellers are included Starcom on CFR basis and Louis Dreyfus and Cargill on FOB basis. It is noticeable that most of the business has been shifted from Containers to break bulk this season.

However, from Malaysian market, business has been reported for Port Klang and for port Penang at USD 255 CFR. Also, business reported for Malaysian port Kaicheung at \$285-287 CFR.

Indian corn exports will becoming moderate as but one can expect some sharp increase in exports only after mid of January.

**Maize Price Trend in Nizamabad, Andhra Pradesh (YOY Comparison)**

**Maize: Trade Channel**

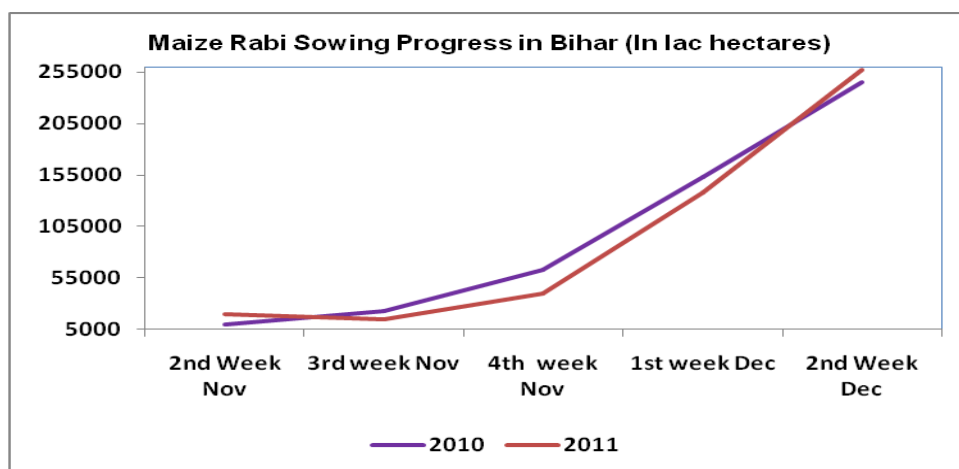
Sourcing Market	Nizamabad	Davangere
Consumption Center	Nammakal	Udamalpet
<b>Loose prices @ source (Rs/Qtl) (A)</b>	1075.0	1065.0
Puccka Aadatiya Commission %	10.8	21.3
Market Fee % (as applicable for different' mandi)1% on cultivators rate	10.8	16.0
Other Mandi Expenses (Gunny bag & Hamali)	33.0	38.0
Toal Expenses (borne by buyers) (B)	54.5	75.3
<b>Ex-mandi Prices (A+B) ©</b>	<b>1129.5</b>	<b>1140.3</b>
Freight up to consumption center & unloading charges (D)	160.0	160.0
<b>Delivered prices at consumption center (C+D)</b>	<b>1289.5</b>	<b>1300.3</b>
<b>(2) Trade Channel for Exports (Producing center to key Ports)</b>		
Sourcing Market	Nizamabad	Davangere
Port	Kakinada	Chennai
<b>Loose Prices @ source (i)</b>	1060.0	1040.0
Puccka Aadatiya Commission %	10.6	20.8
Market Fee % (as applicable for different' mandi)1% on cultivators rate	10.6	15.6
Other Mandi Expenses (Gunny bag & Hamali)	33.0	38.0

Toal Expenses (borne by buyers) (ii)	54.2	74.4
<b>Ex-mandi Prices (i+ii) (iii)</b>	<b>1114.2</b>	<b>1114.4</b>
Freight (Truck) up to port (iv)	90.0	120.0
<b>Port Delivery Prices (iii+iv) (v)</b>	<b>1204.2</b>	<b>1234.4</b>
Loading/forwarding/clearing charges at port (vi)	127.0	127.0
<b>Total prices upto Ship loading point (FAS) (v+vi)</b>	<b>1331.2</b>	<b>1361.4</b>
<b>FOB in US Dollar/MT</b>	<b>253</b>	<b>259</b>

**Maize Rabi Sowing Progress (As on 15<sup>th</sup> December 2011)**

	2010	2011	% Change	Targeted Area	% Coverage of Area till date
<b>Bihar</b>	257000	245000	<b>-4.7%</b>	350000	70.0
<b>UP</b>	46563	31430	<b>-32.5%</b>	50000	62.9
<b>Maharashtra</b>	82000	87000	<b>6.1%</b>	120000	72.5

(Source: State Agricultural Dep't.)


**Price Outlook:**

*Maize Price are likely to move up keeping in view lesser crop arrivals in key maize markets. In addition to it, higher domestic as well as export demand of corn will take the prices upwards. Also, lesser crop production in AP and Karnataka for maize in Kharif season support the prices upwards.*

## Price Forecast:

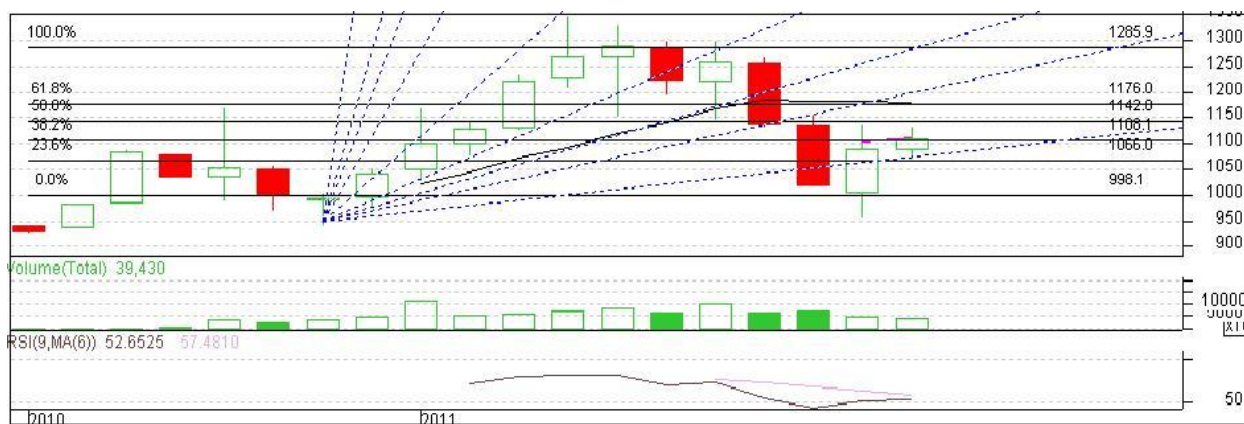
### Maize: Davangere (Bilty Price)



- Maize prices have declined during the month ended November 2011.
- After testing trend line support level, prices are trying to rebound as chart depicts.
- Prices are likely to hover between 38.2% and 50% retracement level, if breach the mentioned level either side will give the prices a new direction.

**Strategy:** Buy from present level. However prices might take resistance at Rs 1100.

### Futures Market Analysis: NCDEX Maize



- Prices are moving upwards but still moving in a downtrend as chart depicts.

- Prices have not sustained at lower level in previous month and hovering above lower Gann Fann line.
- Increase in prices with decrease in open interest and volume indicates buyers are booking their profits from higher levels.
- 1072-1122 is the broad trading range for the price. Drift in either direction will take it further in the respective same.
- Positioning of RSI in the weekly chart back neutral conditions.
- **Strategy:** Last two candle stick pattern indicates that prices couldn't sustain at higher levels. Selling from higher levels would be advisable.

### **International Corn Scenario:**

#### **Current Developments:**

International corn prices are moving downwards during November 2011. According to the Wasde report, World corn production has increased by 8.5 million tonnes and stood at 867.5 million tonnes which is 40 million tonnes higher compared to last year. USDA also cut the food and industrial usage of corn to 162.6 million tonnes and increased corn ending stocks to 21.53 million tonnes which increase the supply situation of corn in the market. This may have affected prices adversely.

Meanwhile, China's corn production has increased by 7 million tonnes from last month and stood at 191.75 million tonnes. In addition to it, Corn production in EU 27 also increased by 1 million tonnes.

Meanwhile, Despite of increase in corn import demand by key Corn importers like China, Mexico and South Korea, corn prices are continuously moving downwards as strong competition from Argentina and Ukraine put a limit over corn exports by US.

#### **Outlook:**

***Corn prices have plunged during the month ended November owing to lesser corn demand by China and also economic woes and increasing dollar prices which urges corn prices to go down. Prices are likely to stay range bound with some firmness in the corn international market in the coming month due to expected increase in corn demand.***

Maize CBOT Monthly Futures Price Listing (\$/Tonne)				
	Contract Month	1/11/2011	1/12/2011	Change
Corn CBOT Prices	Dec11	654.25	594.75	-59.5
	Mar12	665.25	601.50	-63.75
	May12	670.00	609.25	-60.75
	Jul12	673.50	614.25	-59.25
	Sep12	630.75	574.75	-56

## CBOT Maize Chart: Front Month



Maize prices are showing weakness in the prices as chart depicts. Prices are continuously trying to test \$597 which also lying over 50% retracement level, if breach then prices will go down to 38.2% retracement level. Prices are likely to move in a range between \$550 to \$600 with weak tone in the coming month.



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