

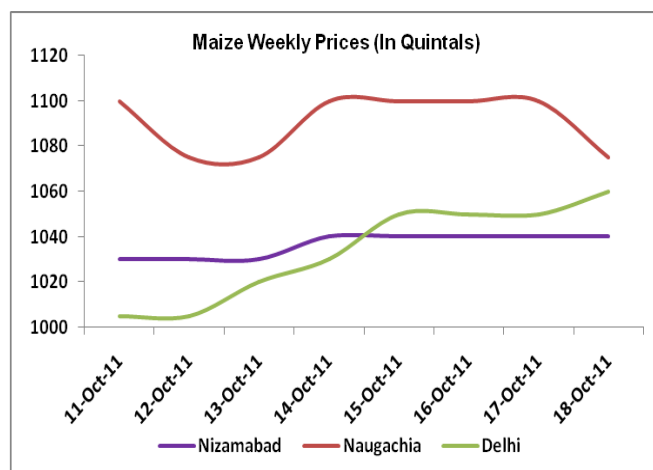
Domestic Market Recap

Maize prices surged by 0.97% in Nizamabad market during the week ended 18th September 2011. Weak arrival along with moderate domestic demand from poultry and starch industries support the price sentiment.

On the Export front: It is reported that the South East Asian buyer have covered close to 0.5 Million MT from corn for shipments between November.

In break bulk market business reported between USD 255 - 58 PMT FAS/FOB Kakinada.

The prices in containers reported to be between USD 248 Fob for destinations like Malaysia which absorb poor quality cargo to USD 285 FOB for buyers in Indonesia and Vietnam which have started seeking better quality these days.



It is reported that Thailand market is affected by floods and Indian corn will continue to remain in demand due to low prices offered

Current Market Dynamics:

Maize prices has increased in benchmark market Nizamabad during the week ended 18th October 2011 owing to sluggish arrivals and moderate demand of corn compared to previous week. Arrivals are hovering around 20000 quintals this week. Moreover, 14-15% moisture content reported from corn which can be considered to be good for export deals for countries like Bangladesh.

Meanwhile, maize exports are going on from Koppal market through Kakinada port at FOR 11400-11500/MT. Moisture content is around 13-14% which can be considered for exports.

Demand from Poultry as well as Starch Industries remains good as reported. However, big buyers are waiting for better quality of maize. Buyers are waiting for less moisture content maize at a better rate. Meanwhile, the arrivals of maize to Poultry and Starch industries are also less which can be fulfilled by Wheat or Bajra (depend on the availability).

Rake businesses reported for Kakinada at Rs.11400 - 11600 PMT FOR from centers like Bagalkot and Rannebeenur.

Meanwhile Chennai Delivery prices were ruling between Rs.11400 to Rs.11700 depending on the quality

Prices has decreased in Naugachia market (Bihar) during the week ended 18th Oct 2011 owing to weak demand of for less inferior quality corn.. Sources expect maize in naugachia market would remain range bound owing to increasing crop arrivals might offset the export demand in the near future.

Weather, Crop progress and Yield Assessment

During the week (22- 28 September), country as a whole received below normal rainfall on all the days. However, rainfall was excess over eastern parts of the country, where heavy to very heavy rainfall was realized. All India rainfall during the week was 33% below Long Period Average (LPA). For the country as a whole, cumulative rainfall during this year's monsoon so far upto 28 September has been 2% above LPA.

Maize Total Area sown, reportedly remain at 75.36 lac hectares as on 30th September as compared to 75.84 lac hectares until the same time a year ago. Maize Area in Andhra Pradesh is sown higher in 4.90 lac hectares as on 05 October as compared to 4.4 lac hectares sown until same time last year. While there is no crop loss reported, moisture content in the crop remains high. Further, as per gathered view from the trade sources yields are likely to remain higher by about 10% as compared to last year as late rains covered up the impact of early dryness, caused by deficiency in the same.

While in Karnataka (Davengere), sources convey that Yields of Maize crop are likely to plunge by about 15% as erratic rains (excess in few regions and deficient in others), are likely to weigh on the same. Maize is sown in 12.3 lac hectares as on 19th September.

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		18 th October, 2011				
Delhi	Hybrid	1060	1005	1050	1100	1025

Davangere	Bilty	1060	945	1200	1230	950
Nizamabad	Bilty	1040	1030	1210	1280	1050
Naugachia	Bilty	1075	1100	1050	1050	1000
Kolkata	Mill	1300	1300	1260	1270	1140
Ahmadabad	Feed	1165	1150	1220	1300	1050
	Starch	1120	1130	1165	1240	1020

Weekly Comparative Prices: Likely Impact on Maize Demand:

Date	Delhi Market			Spread with Wheat	Spread with Bajra
	Maize	Wheat	Bajra		
12 th Oct	1005	1115	810	-110	195
13 th Oct	1020	1115	820	-95	200
14 th Oct	1030	1110	830	-80	200
15 th Oct	1050	1105	825	-55	225
16 th Oct	1050	1105	825	-55	225
17 th Oct	1050	1100	825	-50	225
18 th Oct	1060	1100	820	-40	240
Average	1037.8	1107.1	822.14	-69.28	215.71

- Average price spread between Maize and Wheat narrowed to Rs. (-69.28) per quintal as on 18th October as compared to the spread of Rs. (-86.4) per quintal last week.
- Much of the above move remains an outcome of the rise in Maize Prices, and fall in wheat prices. Narrowing spread between the two; bitter prospects of maize compared to wheat.
- Price spread between Maize and Bajra, however continues to remain positive and steady compared to previous week.

Spot Price (Bilty) at Karnataka: Price Outlook
Maize: Nizamabad (Bilty Price)



- Maize nizamabad spot prices are moving downwards as chart depicts.
- Prices have tried to test 23.6% retracement level and then rebound from that level.
- Prices might also test its trend line resistance level which also lying over 38.2% retracement level.
- Prices are likely to remain range bound between Rs 1030 to 1100 with weak bias in the coming week.

International Market: Highlights/Current Developments:

Corn prices have rebound during the week ending 18th October 2011 owing to higher corn import prospects by China and lower corn production data by US.

World 2011/12 maize crop is projected to be the largest on record at 845 million tons, despite the cuts in the US Crop forecast, on improved production prospects in southern hemisphere. The rise of 2.3% is projected in 2011-12 as compared to 2010-11.

U.S. corn production is forecast at 12.4 billion bushels, down 1 percent from September and down slightly from 2010. Recent production data of US corn support the corn prices. Meanwhile, 33 percent of the U.S. corn crop has been harvested so far in 2011-12, compared to a five-year average of 32 percent, according to USDA's Crop Progress Report which is indicating that the harvesting is on its schedule.

China is going to import 5-10 million tonnes of corn for 2011/12 as consumption (170.1 million tonnes) is higher than production (166.6 million tonnes). China has planted an estimated 76.35 million acres in 2011/12, up 3% from the previous year. Yields though are forecasted to be 86 bushels per acre, which is roughly half of the U.S. yields. It is noticeable

that recently China buys 900,000 tonnes of US corn. This deal shows the China's role as a big importer. According to news sources, it is a part of a sale and China may likely to buy more US corn which might prove bullish as far as grains prices are concerned.

USDA Oct month WASDE Corn Summary:

Corn production is forecast 64 million bushels lower with planted and harvested area lowered 385,000 acres and 452,000 acres. The national average corn yield forecast is unchanged this month at 148.1 bushels per acre. Beginning stocks for 2011/12 are raised 208 million bushels from the previous projections based on the September 1 stocks estimate. Corn supplies for 2011/12 are forecast 144 million bushels higher. Total U.S corn use for 2011/12 is projected 50 million bushels lower with reduced exports. Higher expected Black sea production and exports increase competition for U.S corn. U.S ending stocks are projected 194 million bushels higher at 866 million.

Outlook:

Prices are likely to trade range bound with firm bias owing to expected increase in demand from China side and also less production scenario of Corn in US will support the Corn prices.

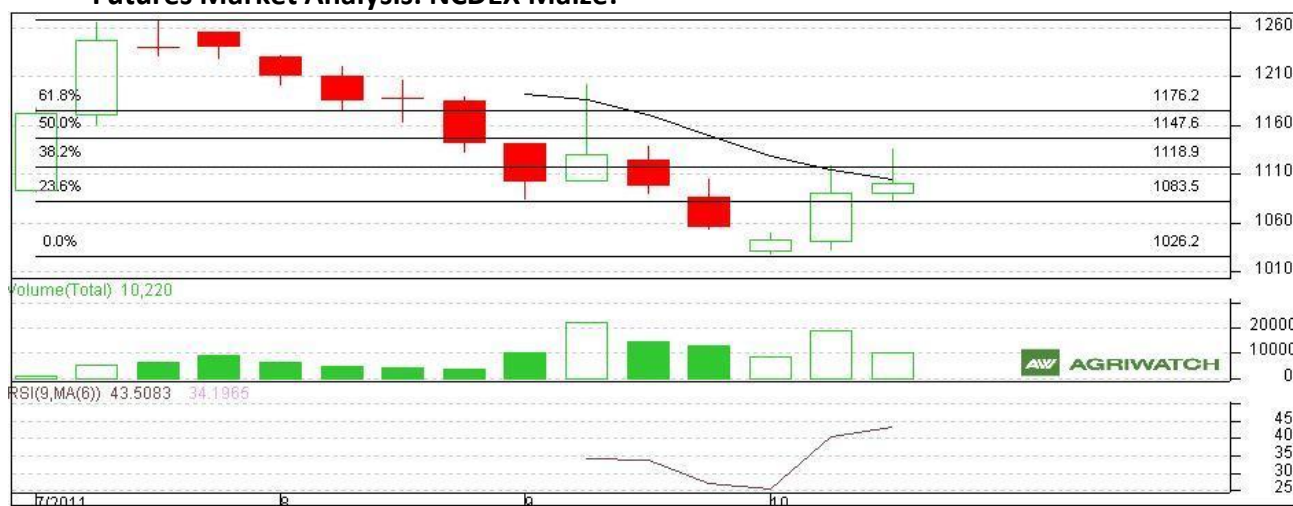
CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Range bound movement has witnessed in prices.
- After testing lower Gann Fann line in the previous week, prices have rebound as chart depicts.
- 600-650 is the broad trading range for the price; drift in either direction is likely to take the price further in the respective same.
- Prices are continuously trying to test 38.2% retracement level, and are likely to hover between 23.6% and 38.2% retracement level.
- Prices are likely to trade range bound with firm bias in the coming week.
- Strategy: Buy from support level would be advisable.

Futures Market Analysis: NCDEX Maize:



(Weekly Chart)

- Maize prices are showing range bound movement with positive bias.
- 1083-1130 is the immediate trading range for the price. Breach of mentioned levels will give the prices a new direction.
- Prices are continuously trying to test 38.2% retracement level, if breach the mentioned level will continue the bull run of prices.
- Selling has been witnessed from resistance level as chart depicts.
- Positioning of RSI in the weekly chart suggest neutral conditions.
- **Strategy:** Sell from higher level would be advisable.

Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1069	1089	1096	1121	1130

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