

## Domestic Market Recap

*Mixed sentiments recorded in various maize spot markets during the week ended 1<sup>st</sup> November 2011. Increase in arrivals and moderate domestic as well as export demand kept the maize prices range bound during the week.*

**On the Export front:** Prices in containers for Malaysian port like Port Klang has been reported for USD 256-260 CFR. Prices have increased by USD 10 PMT compared to previous week owing to high corn demand.

Meanwhile, business for break bulk for Vietnam's Ho Chi Min city market has been reported to be around USD 270 CFR which has bought by Bunge.

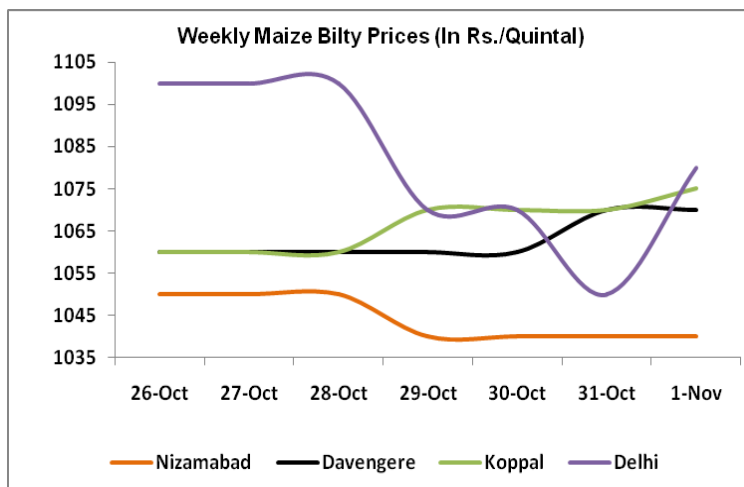
In Indonesian markets, shippers are offering prices between USD 275-280 PMT CFR at Indonesian ports. However, some defaults has been reported in Indonesia as previous businesses was done at USD 300-315 from where prices have tumbled by almost USD 20 PMT.

On other hand, Thailand is badly affected by floods and India remains the top destination as far as corn demand is concerned due to cheaper prices and lower transit time from Indian to South East Asian countries.

## Current Market Dynamics:

Maize prices have declined in Nizamabad market during the week ended 1<sup>st</sup> November 2011 amid increasing new crop arrivals. It is reported that around 70-75% of the crop has been harvested in AP and rest of the crop will be harvest in coming 10-15 days. However, due to festivals in last week of October arrivals remained on lower side (2000 bags avg. daily arrivals) which is now expected to increase in coming days, may exert pressure in prices.

Meanwhile, prices have rebound from its lower level in Davengere market owing to wet conditions in Karnataka and Telangana this week which is affecting the harvesting of the standing crop. Demand from Poultry as well as Starch Industries remains good in the markets.



Following are the few active buyers in southern states of country with their purchase prices -

Buyer	Purchase Prices (Rs/MT)
VHL Hubli	10500
Suguna Hubli	10850
Godrej Hubli	11000
Godrej Chitradurga	10700
CP Bangalore	11000
Riddhi Siddhi Bio ,Gokak	10700
Sahyadri Starch ,Miraj	10500

Break bulk shippers like LD and Olam buying high moisture cargo upto 16 - 17 % moisture to fulfill there contract for Chennai.

We expect prices might trade range bound in the coming week owing to improved arrivals which will offset by higher demand.

**Maize Spot Market Prices (Rs. /Quintal)**

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		01 <sup>st</sup> November, 2011				
Delhi	Hybrid	1080	1080	1025	1100	1000
Davangere	Bilty	1070	1060	1100	1210	950
Nizamabad	Bilty	1040	1050	1060	1260	910
Naugachia	Bilty	1050	1050	1075	1075	960
Kolkata	Mill	1275	1260	1275	1300	1160
Ahmadabad	Feed	1160	1160	1190	1240	1010
	Starch	1160	1160	1130	1200	1000

**Weekly Comparative Prices: Likely Impact on Maize Demand:**

Date	Delhi Market			Spread with Wheat	Spread with Bajra
	Maize	Wheat	Bajra		
26-Oct	1100	1100	830	0	270
27-Oct	1100	1105	830	-5	270
28-Oct	1100	1100	830	0	270
29-Oct	1070	1105	840	-35	230
30-Oct	1070	1105	840	-35	230
31-Oct	1050	1100	850	-50	200
1-Nov	1080	1120	850	-40	230
<b>Average</b>	<b>1081.4</b>	<b>1093.3</b>	<b>827.5</b>	<b>-23</b>	<b>242.8</b>

- Average price spread between Maize and Wheat widened to Rs. (-23) per quintal as on 1<sup>st</sup> November as compared to the spread of Rs. (-18) per quintal last week.
- Maize spread with Wheat has improved further this week owing to decrease in maize prices amid increasing new crop arrivals and increase in wheat prices in Delhi market on good demand. Meanwhile, negative spread of maize with wheat indicates that demand for maize is likely to increase in days to come.
- Price spread between Maize and Bajra, however continues to remain positive and bajra prices continued to remain lucrative and feed manufacturers may also prefer bajra for feed manufacturing.

## Spot Price (Bilty) at Andhra Pradesh: Price Outlook

### Maize: Nizamabad (Bilty Price)



- Maize nizamabad spot prices are moving sideways as chart depicts.
- Prices are likely to test Rs 1030 level which is also act as a strong support level.
- Prices are likely to remain range bound between Rs 1030 to 1050 with weak sentiments in the coming week.

### International Market: Highlights/Current Developments:

Corn prices are trading in a range in CBOT with firm bias during the week ending 01<sup>st</sup> November 2011 owing to moderate corn demand for US corn crop and increased overall production prospects of grains showed in data by IGC.

World corn production prospects have improved during last month as crops forecast to be at higher levels in many leading corn growers. Total output is forecast at 855 million tonnes in 2011-12 which is 3.5% up from the previous year. Supplies of corn are expected to be improved which will encourage additional feeding in various countries. Meanwhile, forecasts of corn for China and EU is higher than ever before.

### **Outlook:**

***Prices are likely to trade range bound with weak bias owing to expected improved demand from China and higher corn production by Ukraine.***

## CBOT Corn Futures Outlook:

### CBOT Maize Chart: Front Month



- Range bound movement witnessed in prices.
- 630-664 is the broad trading range for the price; two consecutive close above or below the mentioned levels will give the prices a new direction.
- Increase in prices has not been supported by volume which indicates that buyers are losing strength.
- Prices came down after testing upper Gann Fann Line.
- Prices are likely to trade range bound in the coming week.
- Strategy: Buy from support level.

### Futures Market Analysis: NCDEX Maize :



(Continuous Weekly Chart)

- Maize prices are showing range bound movement.
- 1084-1121 is the immediate trading range for the price. Breach of mentioned levels will give the prices a new direction.
- Prices tumbled after testing 38.2% retracement level which also acts as a strong resistance level, Prices are likely to trade between Rs. 1084-1121 range for short term.
- RSI is hovering near to neutral region.
- **Strategy:** Sell from resistance level.

### Maize NCDEX (November)

Support & Resistance				
S2	S1	PCP	R1	R2
1069	1084	1091	1121	1130

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