

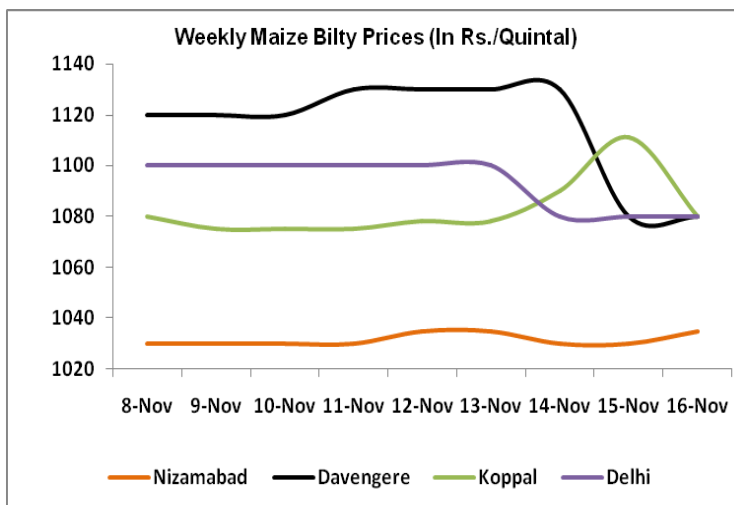
Domestic Market Recap

Maize prices have tumbled in various spot markets during the week ended 15th November 2011.

Higher arrivals and sluggish demand of wet stock of maize weigh on to the maize spot prices during the week.

On the Export front: Vietnamese animal feed miller Proconco has recently purchased 25000 metric tonnes of Indian corn at around \$288/ton on C&F basis. At present, Indian corn is \$35/ton cheaper compared to US corn.

Meanwhile, a South Korean buyer purchased an Indian corn cargo of 30,000 tonnes at around \$296/ton C&F.



Current Market Dynamics:

Maize prices have decreased during the week ended 15th November owing to increasing maize arrivals and lesser demand. Daily 15000-20000 bags of maize are arriving daily in Koppal market which is higher compared to previous week arrivals (~8333 bags). Also, arrivals have increased in Davengere market from 2000 bags to 3333 bags which are arriving in the market on daily basis.

The arrivals have improved in all the centres in Karnataka as well as AP. The spot prices are hovering around Rs.10600 - 10900 spot in mandis in bags. The prices for Chennai jumped up to Rs.12000 - 12100 PMT FOR where as they were steady for Kakinada at Rs.11800 - 900 PMT FOR by trucks. Business by rake reported from centres like Koppal where 3 rakes were loaded and 1 rake from Rannebennur for Kakinada at Rs.11600 -700 PMT FOR. One rake loaded from Chindwara in MP. Maize arrivals being reported from Orissa as well as Chhattisgarh which will feed the Kakinada market.

Meanwhile, Maize has been planted in 20000 hectares till date in Bihar for Rabi season 2011-12 which is 10000 hectare higher compared to previous year same period. As per trade information, Bihar has targeted around 3.5 lakh hectares of planting of maize for Rabi season 2011-12. Sources revealed that, in Punjab region new crop arrivals started and may pressurizes the prices in coming days. Uttar Pradesh arrivals almost 50 percent came to the market.

Meanwhile, demand from poultry and starch industries remains subdued due to inferior quality of maize is arriving in the mandi at present which kept the buyers uninterested in buying wet maize stocks.

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

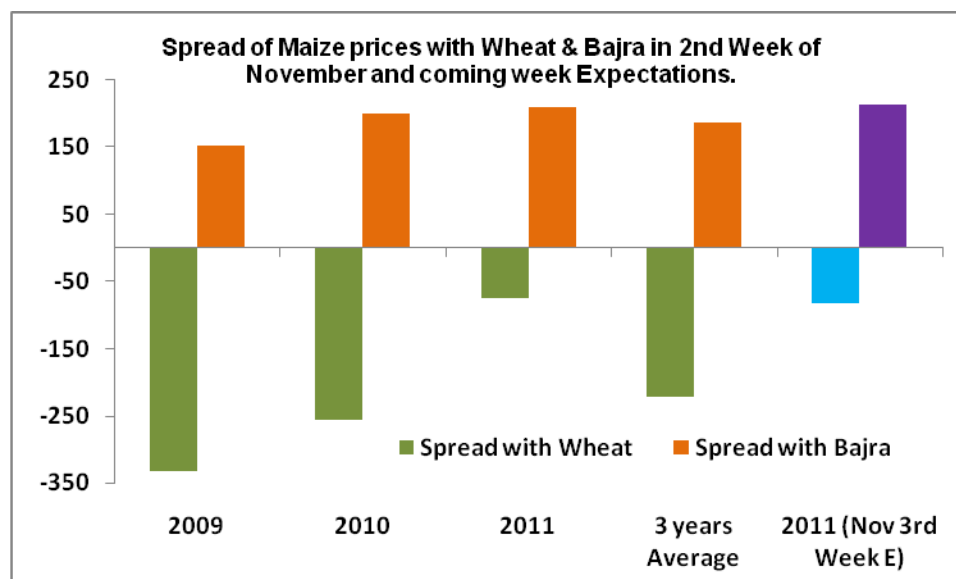
Buyer	Purchase Prices (Rs/MT)
VHL Hubli	10700
VHL Sholapur	10700
Godrej Hubli	11000
Godrej Chitradurga	11200
CP Bangalore	11600
Riddhi Siddhi Bio ,Gokak	10700

We expect prices to trade range bound with weak bias in the coming week owing to improved arrivals.

Maize Spot Market Prices (Rs. /Quintal)

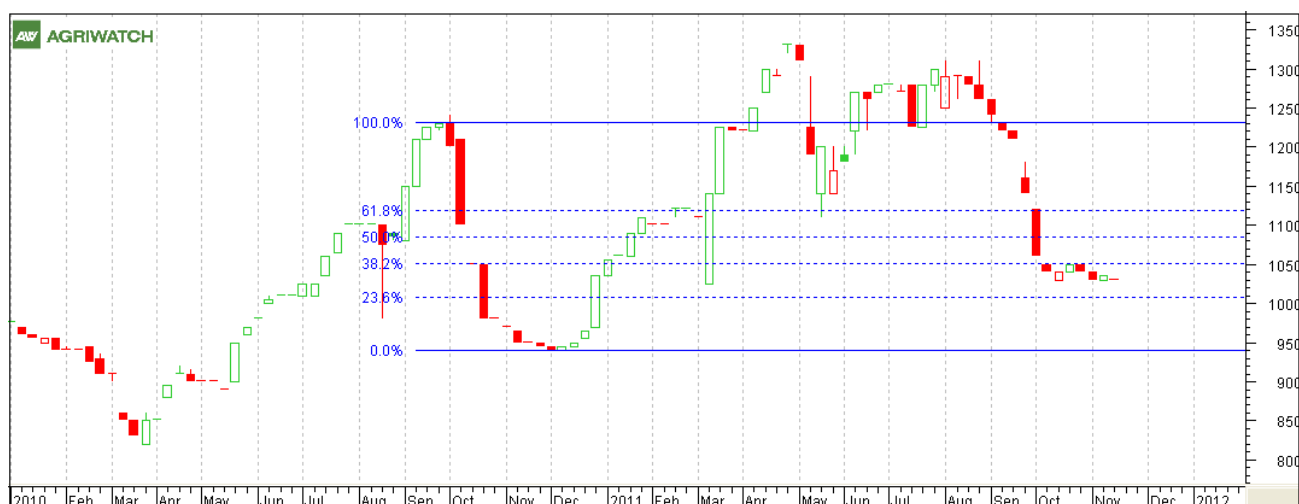
Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		15 st November, 2011				
Delhi	Hybrid	1080	1100	1050	1060	1005
Davangere	Bilty	1080	1120	1050	1190	935
Nizamabad	Bilty	1030	1030	1040	1210	950
Naugachia	Bilty	-	-	1100	1050	1050
Koppal	Bilty	1111	1080	1080	-	950
Kolkata	Mill	-	-	1300	1260	1170
Ahmadabad	Feed	1100	1140	1200	1230	1040
	Starch	1150	1200	1150	1160	1030

Weekly Comparative Prices: Likely Impact on Maize Demand:



- Average price spread between Maize and Wheat widened to Rs. (-75) per quintal as on 15th November as compared to the spread of Rs. (-27) per quintal last week. Increase in wheat prices during the week and decline in maize prices widened the spread. Therefore Maize demand will not move to wheat as of now.
- Price spread between Maize and Bajra have narrowed marginally, however spread continues to remain positive and bajra prices continued to remain lucrative and feed manufacturers may prefer bajra for feed manufacturing.
- Meanwhile, keeping in view historical trend of spreads of maize with wheat, spread is expected to widen in the 3rd week of November owing to expected decrease in maize prices and increase in wheat prices. Also, spread of maize with bajra is also expected to widen in the coming week owing to increase in bajra prices due to higher demand of bajra among feed manufacturers.

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 15th November 2011 owing to moderate corn demand for US corn crop and increased overall production prospects of grains showed in data by IGC. The USDA expects that U.S. corn exports during the current marketing may be at a 9 year low of 1.6 billion bushels. Exports have been less than 1.6 billion bushels only 6 times in the past 36 years. Through November 10, the pace of weekly export inspections continued to run well below the average pace needed to reach the USDA projection. The Census Bureau corn export estimate for September was not substantially larger than the USDA inspection estimate.

Outlook:

Prices are likely to trade range bound with slight firmness owing to expected lesser corn exports by US.

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.
- Prices are likely to trade range bound in the coming week.
- Strategy: Buy from support level.
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Futures Market Analysis: NCDEX Maize :



(December Contract Weekly Chart)

- Maize prices are moving downwards as chart depicts.

- 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:** Buy from Support level.

Maize NCDEX (December)

Support & Resistance				
S2	S1	PCP	R1	R2
1069	1084	1096	1121	1130

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