

### Domestic Market Recap

**Maize prices have improved in various spot markets during the week ended 22<sup>nd</sup> November 2011.** Higher domestic as well as export demand of corn increase the prices upwards.

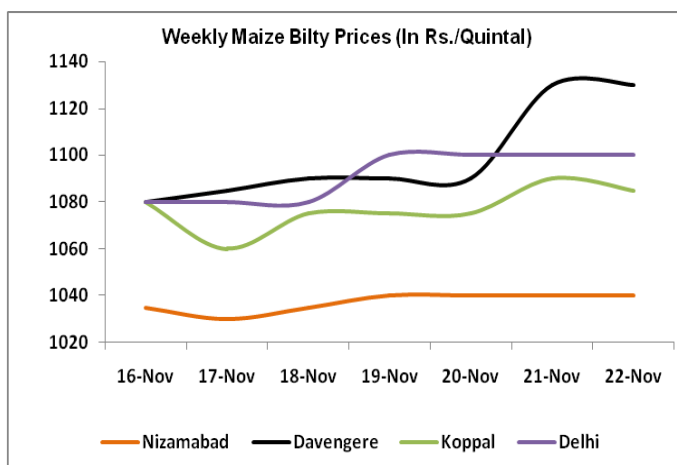
**On the Export front:** Maize global market seems quite and not much deals seen in the global markets.

In Vietnam, no business reported and also 3 vessels have been rejected due to quality specification not met for Corn.

Meanwhile, business reported for Port Klang and Port Penang at \$25-257 CFR. Also, business reported for Malaysian port Kaicheung at \$282 CFR.

In break bulk containers, business has been reported for Indonesia at \$270-274. Major buyers are Goldcoin and CP Indonesia.

We expect export is likely to increase in the coming days. Exporters are waiting for lesser moisture content maize which will increase the demand of maize as expected.



### Current Market Dynamics:

Maize prices have improved in various spot markets during the week ended 22<sup>nd</sup> November 2011. Improved domestic as well as export demand and lesser arrivals of maize this week in markets like Delhi, Davengere and Nizamabad. This week arrivals in Nizamabad market was 15000 bags (100 kg each) which is 3000 bags lesser than previous week arrivals.

Meanwhile, rake business has reported from Koppal market at FOR ranging between 1108-1112 for destinations like Chennai, Kakinada, and Tutikorin.

Meanwhile, demand from Poultry and Starch Industries have improved during the week. However, higher moisture content maize stock bound the buyers to buy limited maize stock.

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

Buyer	Purchase Prices (Rs/MT)
VHL Hubli	11300
Godrej Hubli	11000
Godrej Chitradurga	11300
CP Banglore	11700

Riddhi Siddhi Bio ,Glycols

10700

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

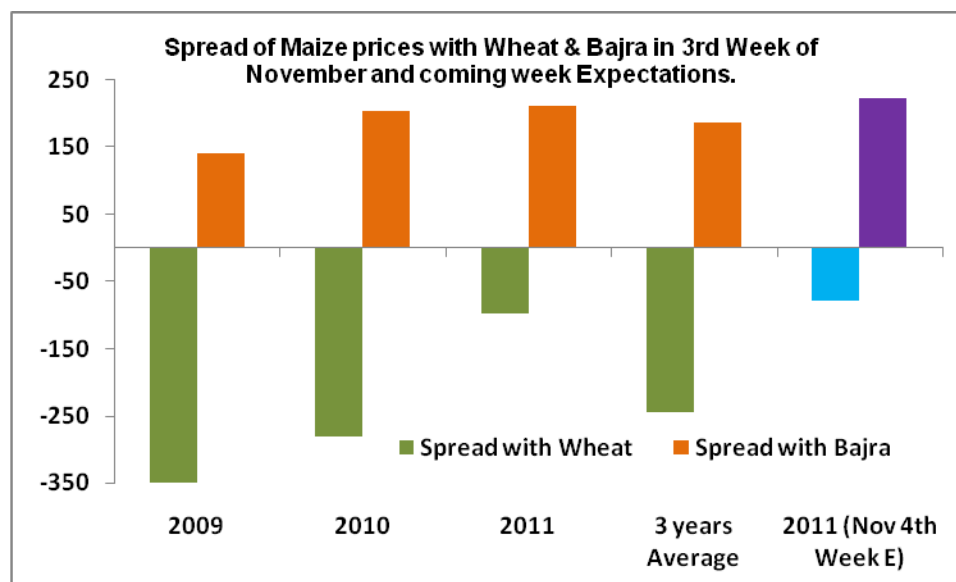
**Maize Rabi Sowing Progress (As on 21<sup>st</sup> November 2011)**

	2010	2011	% Change	Targeted Area	% Coverage of Area till date
<b>Bihar</b>	15000	23000	53.3%	350000	6.6
<b>UP</b>	16000	16000	0.0%	50000	32.0
<b>Maharashtra</b>	61000	72000	18.0%	120000	60.0

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

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		22 <sup>nd</sup> November, 2011				
<b>Delhi</b>	Hybrid	1100	1080	1080	1060	1025
<b>Koppal</b>	Bilty	1085	1111	1060	-	955
<b>Davangere</b>	Bilty	1130	1080	1070	1200	940
<b>Nizamabad</b>	Bilty	1040	1030	1050	1160	950
<b>Ahmadabad</b>	Feed	1090	1100	1180	1220	1020
	Starch	1140	1150	1160	1160	1025

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



- In tandem of our expectations last week, average price spread between Maize and Wheat widened to Rs. (-98.5) per quintal as on 22th November as compared to the spread of Rs. (-75) per quintal last week. Increase in wheat prices during the week and decline in average 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 narrow in the 4<sup>th</sup> week of November owing to expected decrease in wheat prices and increase in maize prices. Also, spread of maize with bajra is also expected to widen in the coming week owing to increase in maize prices.

**Spot Price (Bilty) at Andhra Pradesh: Price Outlook**  
**Maize: Nizamabad (Bilty Price)**



- Maize Nizamabad spot prices are moving upwards as chart depicts.
- Prices are continuously trying to test 1050 level, if breach then prices may move up to Rs 1100.
- Prices are likely to remain range bound between Rs 1030 to 1050 with firm sentiments in the coming week.

**International Market: Highlights/Current Developments:**

International corn prices have tumbled down during the week ending due to good corn crops in several major corn producing countries like Argentina, Ukraine and India and also lesser exports by USA weigh on to the corn prices last week. Meanwhile, market seems that prices are hovering at its bottom and buying is expected from support level. However, keeping in view the yearly seasonality price pattern, corn prices should tumbled down further from prevailing prices.

Also, decrease in US FOB by \$20 also gains some attention from traditional US corn buyers like China and Vietnam.

**Outlook:**

***Prices are likely to trade range bound with weakness in corn prices in the coming week.***

### CBOT Corn Futures Outlook:

**CBOT Maize Chart: Front Month**



- Corn prices are moving downwards as chart depicts.
- 600-664 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 have recently breach \$630 which is also lying over 38.2% retracement level. Prices are heading towards \$600 as chart depicts.
- Prices are likely to trade range bound in the coming week.
- Strategy: Sell towards resistance level.

### Futures Market Analysis: NCDEX Maize :



(December Contract Weekly Chart)



- Maize prices are consolidates with weak tone as chart depicts.
- 1095-1121 is the immediate trading range for the price. Breach of mentioned levels will give the prices a new direction.
- Prices are likely to trade between Rs. 1095-1121 range for short term.
- RSI is hovering near to oversold region.
- **Strategy:** Sell from resistance level.

### Maize NCDEX (December)

Support & Resistance				
S2	S1	PCP	R1	R2
1090	1095	1099.5	1121	1130

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