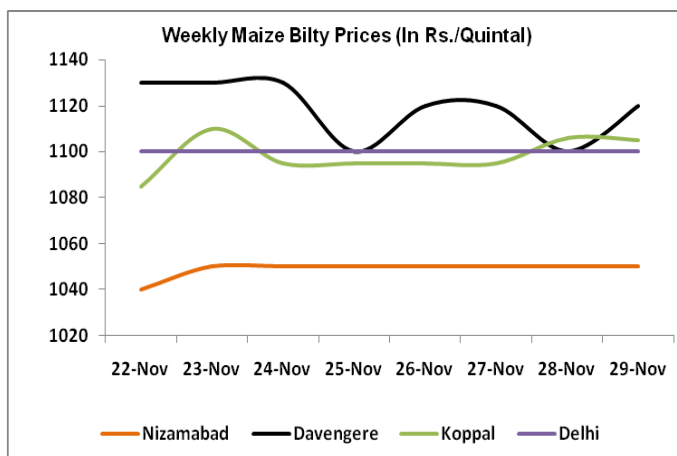


### Domestic Market Recap

*Mixed sentiments recorded in various maize spot markets during the week ended 29<sup>th</sup> November 2011. Improved arrivals have been offset from higher domestic as well as export demand.*

#### **On the Export front:**

Indian FOB Maize prices (~\$247) seems quite lucrative for exporters compared to US FOB (~268) and Argentina FOB (~255.41). Higher corn demand and lucrative Indian FOB gives a clear indication that export demand for Corn will increase in the coming days which will weigh on the maize prices.



Indian CNF Rate to Thailand vs other Countries				
	Argentina	Brazil	US	India
<b>FOB</b>	255.41	236.59	268	247
<b>Freight for Thailand</b>	50	55	60	35
<b>Cost and Freight</b>	305.41	291.59	328.00	282.30

Meanwhile, no business has been reported from Vietnam as most of the Vietnamese buyers are waiting for their local fresh arrivals which are expected to hit the market in the coming days. It is also reported that 3 vessels have been rejected in this season by Vietnam due to quality specifications haven't met.

However, from Malaysian market, business has been reported for Port Klang and for port Penang at USD 245-250 CFR. Also, business reported for Malaysian port Kaicheung at \$282 CFR.

As far as Indonesian market is concerned, most of the business has been shifted from Containers to break bulk this season. Major bulk buyers from Indonesia like CP, JT Japfa, PT Malindo etc are buying maize from Kakinada port in break bulk.

We expect export is to increase in the coming days. Expected increase in Corn import by China will increase the price of Corn in CBOT which increase the viability of corn export from India.

### Current Market Dynamics:

Mixed trend in Maize prices have witnessed during the week ended 29<sup>th</sup> November 2011. Improved domestic as well as export demand and higher arrivals of maize this week in markets like Delhi, Davengere and Koppal kept the prices range bound. However, prices have improved in Nizamabad market due to lesser arrivals this week. This week arrivals in Nizamabad market was 9100 bags (100 kg each) which is 5900 bags lesser than previous week arrivals. Meanwhile, maize prices in Delhi remained steady this week.

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 till date for this season for various destinations like Kakinada for exports purposes.

Meanwhile, demand from Poultry and Starch Industries has improved during the week. Following are the few active buyers in southern states of country with their purchase prices -

Buyer	Purchase Prices (Rs/MT)
VHL Hubli	11300
Godrej Chitradurga	11300
CP Bangalore	11700
Riddhi Siddhi Bio ,Glycols	10700

We expect prices to trade range bound with firm bias in the coming week owing to increasing corn exports demand.

#### **Maize Rabi Sowing Progress (In Hectares)**

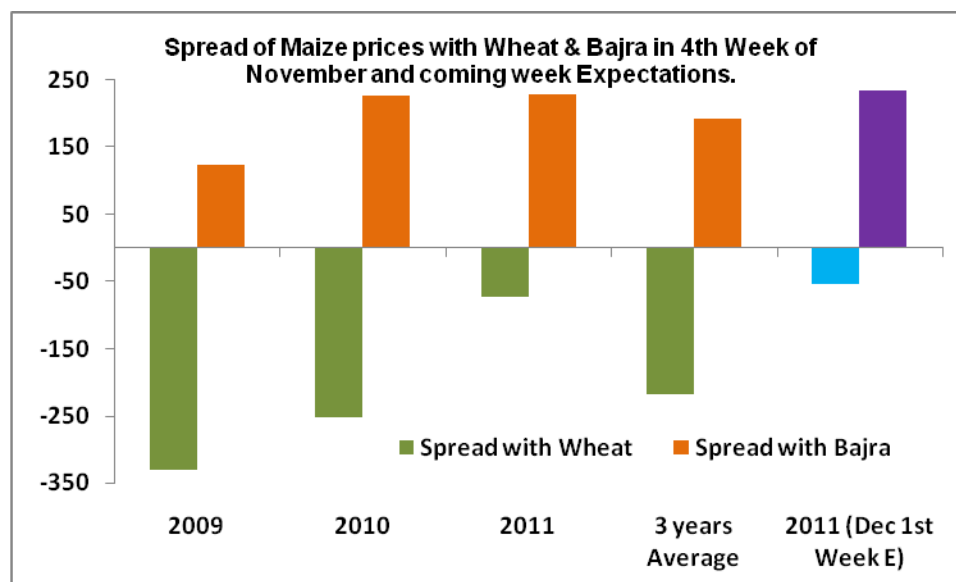
	2010	2011	% Change	Targeted Area	% Coverage of Area till date
<b>Bihar</b>	40000	63000	57.5%	350000	18
<b>UP</b>	15643	15979	2.1%	50000	32
<b>Maharashtra</b>	67000	78000	16.4%	120000	65

(As on 28<sup>th</sup> November 2011)

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

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		29 <sup>th</sup> November, 2011				
<b>Delhi</b>	Hybrid	1100	1100	1070	1030	1050
<b>Koppal</b>	Bilty	1060	1085	1070	-	960
<b>Davangere</b>	Bilty	1120	1130	1060	1150	945
<b>Nizamabad</b>	Bilty	1050	1040	1040	1075	945
<b>Ahmadabad</b>	Feed	1125	1090	1140	1200	1025
	Starch	1150	1140	1160	1130	1030

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



- In line with our expectations last week, average price spread between Maize and Wheat narrowed to Rs. (-73.5) per quintal as on 29th November as compared to the spread of Rs. (-75) per quintal last week. Decrease in wheat prices during the week and steady average maize prices narrowed the spread. However, Maize demand will not move to wheat as of now due to higher spread between maize and wheat.
- Price spread between Maize and Bajra has widened marginally due to decrease in Bajra prices, spread continues to remain positive and bajra prices continued to remain lucrative and feed manufacturers may continue buying some bajra for feed manufacturing.
- Meanwhile, keeping in view historical trend of spreads of maize with wheat, spread is expected to narrow in the 1<sup>st</sup> week of December 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 consolidates and hovering in a range.
- 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 in the coming week.

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

International corn prices have decline marginally during the week ending 29<sup>th</sup> November 2011. Increase in sowing of maize by various maize growers in Argentina, Brazil and South Africa this year, stiff competition by feed-grade wheat and projected lesser growth of corn from Industries kept the Corn prices on lower side. Meanwhile, keeping in view lesser corn prices and higher dollar rate will support the corn demand as well as prices as US wants to export corn at present. Also, Recently, China has decreased its bank rate by 0.50% which will encourage the imports in China.

**Outlook:**

***Considering expected increase in corn demand from lower price levels, prices are likely to move up in the coming week.***

## CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Corn prices are moving range bound with weak bias.
- Prices are moving in a range between \$600 to \$635, if breach the mentioned level either side will decide the movement of the prices further.
- Prices have improved after breach lower support trend line, which also lying over 50% retracement level.
- Increase in prices with open interest indicates, prices are likely to move in next week.
- Prices are likely to move in the mentioned trading range in the next week.
- Strategy: Buy from support level.

**Futures Market Analysis: NCDEX Maize :**


(December Contract Weekly Continuous Chart)

- Maize prices are consolidating as the chart depicts.
- 1095-1110 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. 1095-1110 range for short term.
- RSI is hovering in neutral region.
- **Strategy:** Buy from support level.

**Maize NCDEX (December)**

Support & Resistance				
S2	S1	PCP	R1	R2
1090	1095	1101.5	1110	1121

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