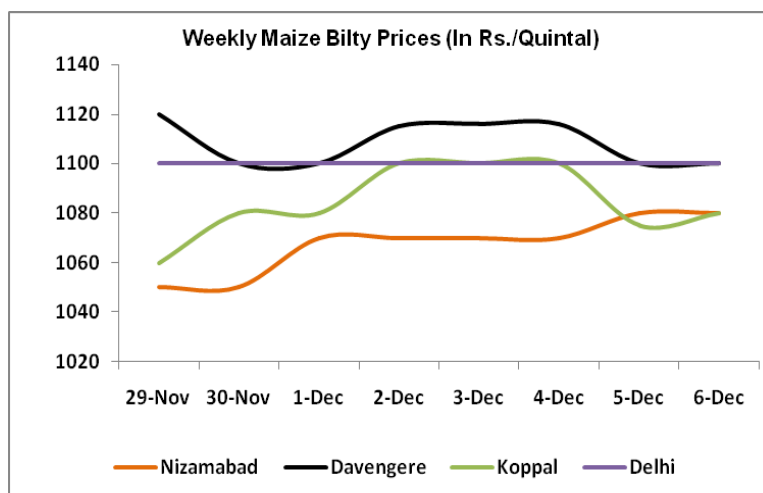


### Domestic Market Recap

*Maize prices have increased in various maize key spot markets during the week ended 6<sup>th</sup> December 2011. Lesser arrivals and moderate domestic as well as export demand of corn weigh on to the maize prices.*

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

Indian CIF Maize prices (~\$292) are getting a stiff competition from exporters compared to Brazil CIF (~\$282.7) and Argentina CIF (~\$289.27). Decrease in Corn exports data from US and lesser corn CBOT prices drag the maize prices downwards which could be a major concern for Indian corn exporters as decreasing maize prices internationally squeeze the export parity from them.



Indian CNF Rate to Thailand vs other Countries				
	Argentina	Brazil	US	India
<b>FOB</b>	239.27	227.7	256.2	258
<b>Freight for Thailand</b>	50	55	60	35
<b>Cost and Freight</b>	289.27	282.7	316.20	292.54

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:**

Steady to firm sentiments have witnessed in various maize spot markets during the week ended 6<sup>th</sup> December 2011. Lesser arrivals and improved demand of corn remained the major supportive factor for increase in maize prices.

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 -

<b>Buyer</b>	<b>Purchase Prices (Rs/MT)</b>
VHL Hubli	11300
Godrej Chitradurga	11300
CP Banglore	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)**

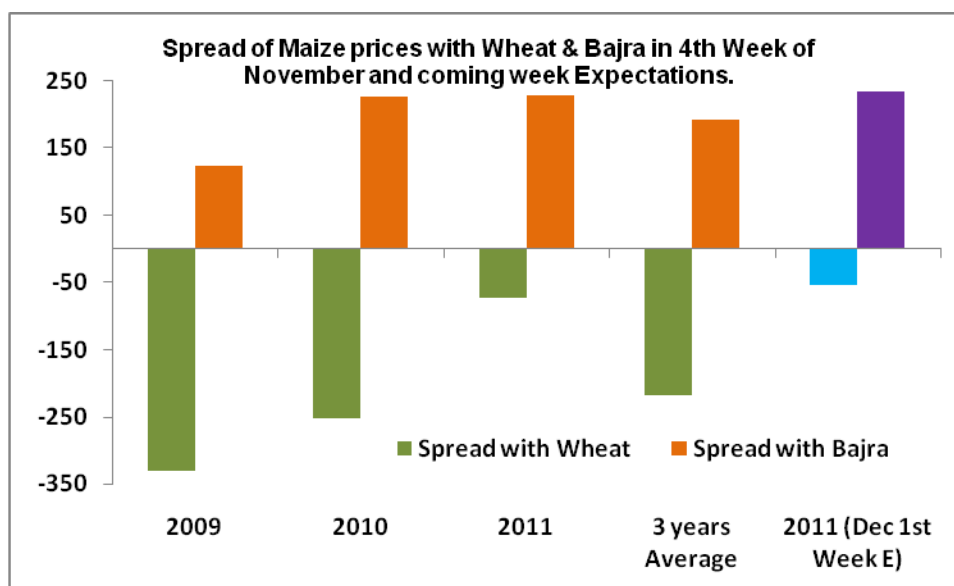
	<b>2010</b>	<b>2011</b>	<b>% Change</b>	<b>Targeted Area</b>	<b>% Coverage of Area till date</b>
<b>Bihar</b>	153000	138000	-9.8%	325000	42.5
<b>UP</b>	15643	15979	2.1%	50000	32.0
<b>Maharashtra</b>	67000	78000	16.4%	120000	65.0

(As on 06<sup>th</sup> December 2011)

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

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		06 <sup>th</sup> December, 2011				
Delhi	Hybrid	1100	1100	1100	1010	1050
Koppal	Bilty	1080	1060	1075	-	940
Davangere	Bilty	1100	1120	1100	1050	925
Nizamabad	Bilty	1080	1050	1030	1040	940
Ahmadabad	Feed	1130	1125	1160	1060	1010
	Starch	1160	1150	1180	1130	1020

**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 have moved upwards during the week ended
- Prices are have breached 1050 level, and heading towards testing Rs 1100 which also lying over 50% retracement level.
- Prices are likely to remain range bound between Rs 1050 to 1100 in the coming week.

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

International corn prices are moving steady to weak during week ending 6<sup>th</sup> December 2011. Despite of increase in corn import demand by key Corn importers like China, Mexico and South Korea, corn prices are continuously moving downwards as strong competition from Argentina and Ukraine put a limit over corn exports by US.

We expect Corn prices in CBOT will continue to depreciate in coming week keeping in view weak exports sales by US.

**Outlook:**

***Corn prices are likely to trade range bound with weakness in the coming week until any fresh Corn exports by US.***

### 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 \$580 to \$611, if breach the mentioned level either side will decide the movement of the prices further.
- Head and Shoulder formation could be seen in Corn chart, two consecutive close below the neckline gives the signal of breakout from where prices are likely to move downwards sharply.
- Decrease in prices with open interest indicates, prices are likely to move downwards 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 Chart)

- Maize prices are consolidating as the chart depicts.
- Decrease in prices along with open interest suggests that prices are moving in a consolidation phase.
- 1095-1110 is the immediate trading range for the price. Breach of mentioned levels will give the prices a new direction.
- RSI is hovering in neutral region.
- **Strategy:** Buy from support level.

#### Maize NCDEX (December)

Support & Resistance				
S2	S1	PCP	R1	R2
1090	1095	1105.5	1108	1121

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