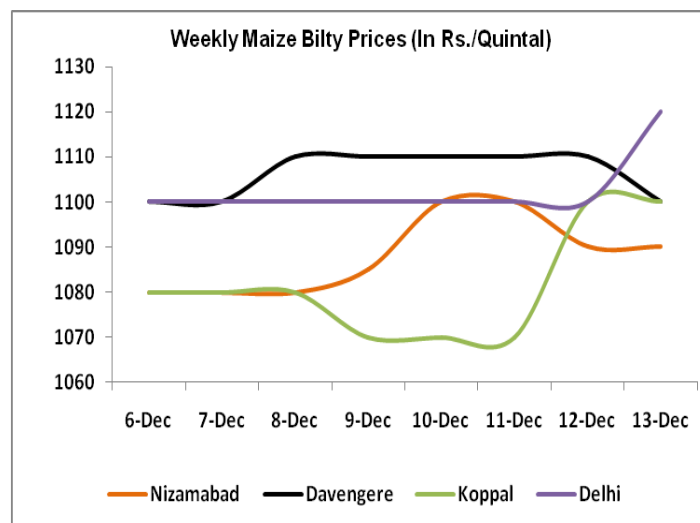


Domestic Market Recap

Maize prices have surged in various maize markets during the week ended 13th December 2011. Lower arrivals of corn support the prices of maize. In addition, demand from Poultry and Starch Industries has also led the maize prices upwards.

On the Export front:

Indian CIF Maize prices (~\$281.69) have come down despite recent increase in domestic prices of corn as stronger dollar prices helps the exporters be competitive. Indian corn exporters are competing strongly with Brazil CIF (~282.7) and Argentina CIF (~281.1). Increased corn production in countries like Argentina and Brazil have dragged the maize prices downwards.



Indian CNF Rate to Thailand vs other Countries				
	Argentina	Brazil	US	India
FOB	231.1	227.7	250.7	247
Freight for Thailand	50	55	60	35
Cost and Freight	281.1	282.7	310.70	281.69

No business has been reported from Vietnam as buyers are expecting local maize arrivals in December. It is also reported that 3 vessels have been rejected in this season by Vietnam as quality specifications haven't been met.

Business has been reported from Indonesian market with around 6 break bulk vessels loading from ports like Vizag, Kakinada, Krishnapatanam, Chennai, Mangalore and Kandla. Major buyer is CP Indonesia. Sellers are included Starcom on CFR basis and Louis Dreyfus and Cargill on FOB basis. It is noticeable that most of the business has been shifted from Containers to break bulk this season.

Business has been reported for Port Klang and for port Penang at USD 255 CFR. Also, business reported for Malaysian port Kaicheung at \$285-287 CFR.

Indian corn exports will remain slow and an increase in exports will come only after mid - January.

Current Market Dynamics:

Firm sentiments were recorded in various corn spot markets during the week ended 13th December 2011. High domestic as well as export demand but low arrivals kept the prices high during the week.

Prices have improved in Nizamabad market due to low arrivals this week. The arrivals in Nizamabad market were 10600 bags (100 kg each). Meanwhile, maize prices in Delhi remained steady this week. Major reason for decline in maize arrivals is that the farmers are involved in sowing maize for Rabi season. However, market is expecting that arrivals of maize will increase after January as farmers expects to windup their sowing operations till then.

Meanwhile, around 20% decline in Maize production has been reported in AP and Karnataka market due to lower rainfall in the interior areas.

Movement of 40 rakes (25 from Koppal + 15 from Munirabad) has been reported in this season for various destinations like Chennai, Tuticorin etc at FOR ranging Rs. 1180 to 1100. In total, Around 65 rakes of maize stocks have been moved from Karnataka markets to Chennai and Tuticorin at average FOR Rs 1150 per quintal.

Moreover, demand from Poultry and Starch Industries is very good but with low arrivals they are holding back their bulk purchases until good arrivals hit the market.

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

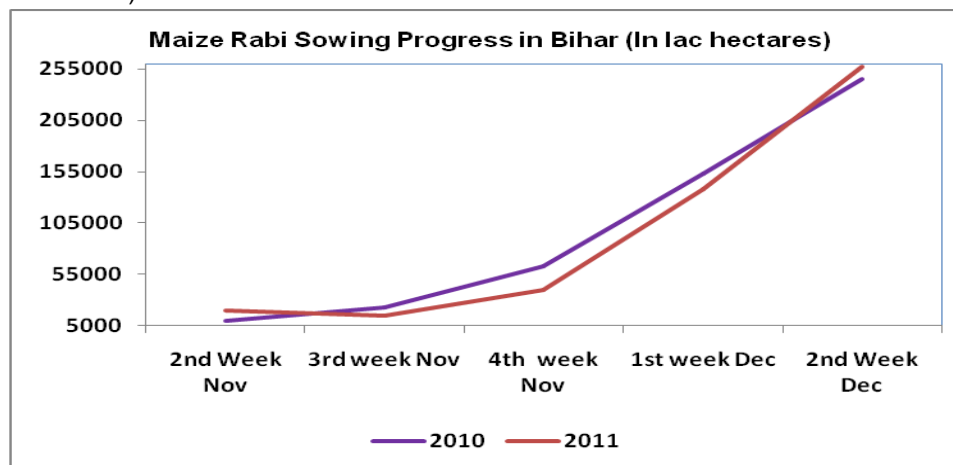
Buyer	Purchase Prices (Rs/MT)
VHL Hubli	11300
Godrej Chitradurga	11400
CP Banglore	11800
Komaria Feeds	11300

Considering the low arrivals and good domestic as well as export demand of corn, we expect prices of maize will move up in the coming week.

Maize Rabi Sowing Progress (In Hectares)

	2010	2011	% Change	Targeted Area	% Coverage of Area till date
Bihar	257000	245000	-4.7%	350000	70.0
UP	46563	31430	-32.5%	50000	62.9
Maharashtra	82000	87000	6.1%	120000	72.5

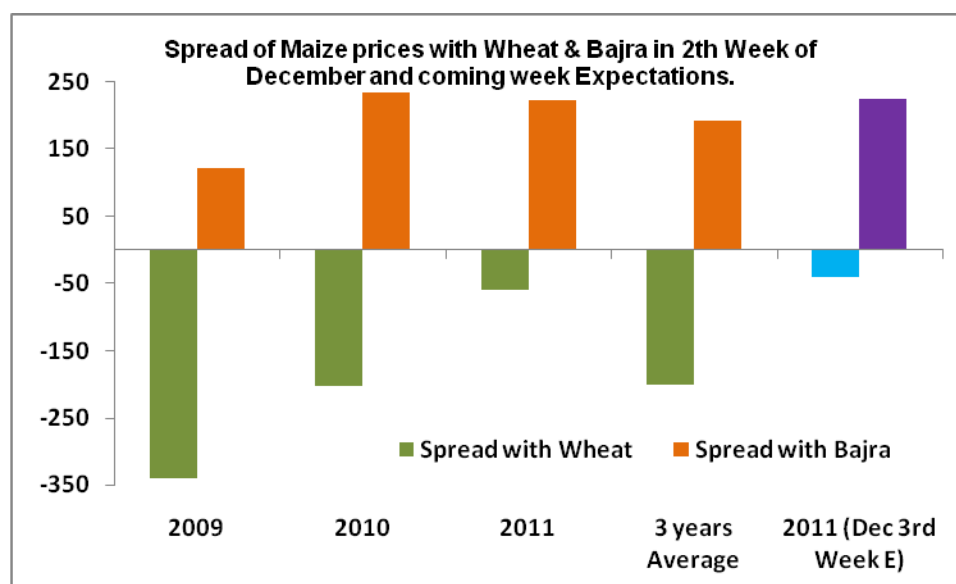
(As on 14th December 2011)



Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		13 th December, 2011				
Delhi	Hybrid	1120	1100	1100	1020	1050
Koppal	Bilty	1100	1080	1078	1065	950
Davangere	Bilty	1100	1100	1130	970	935
Nizamabad	Bilty	1090	1080	1035	1030	950
Ahmadabad	Feed	1130	1130	1140	1170	995
	Starch	1185	1160	1160	1150	1000

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. (-59) per quintal as on 13th November as compared to the spread of Rs. (-67) per quintal last week. Decrease in wheat prices during the week and increase in 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 narrowed marginally due to increase 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 3st 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 have breached 1050 level, and heading towards testing Rs 1100 which is 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 13th December 2011. According to the Wasde report, World corn production has increased by 8.5 million tonnes and stood at 867.5 million tonnes which is 40 million tonnes higher compared to last year. USDA also cut the food and industrial usage of corn to 162.6 million tonnes and increased corn ending stocks to 21.53 million tonnes which increase the supply situation of corn in the market. This may have affected prices adversely.

Meanwhile, China's corn production has increased by 7 million tonnes from last month and stood at 191.75 million tonnes. In addition to it, Corn production in EU 27 also increased by 1 million tonnes.

Outlook:

Increase in world ending stocks and higher corn production prospects from countries like China, Argentina, Brazil and EU 27 will increase the supply of corn in the market. Also, increasing dollar value kept the corn international prices on the lower side. We expect some further price decline in Corn CBOT prices 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 \$580 to \$611, if breach the mentioned level either side will decide the movement of the prices further.
- Decrease in prices with increase in open interest indicates, prices are likely to move downwards in next week.
- Strategy: Sell from resistance level.

Futures Market Analysis: NCDEX Maize :


(January Contract Weekly Chart)

- Maize prices are moving in a range with firm bias as chart depicts.
- Increase in prices along with open interest indicates long positions are build up in the market.
- 1020-1160 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
1120	1135	1151	1160	1170

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