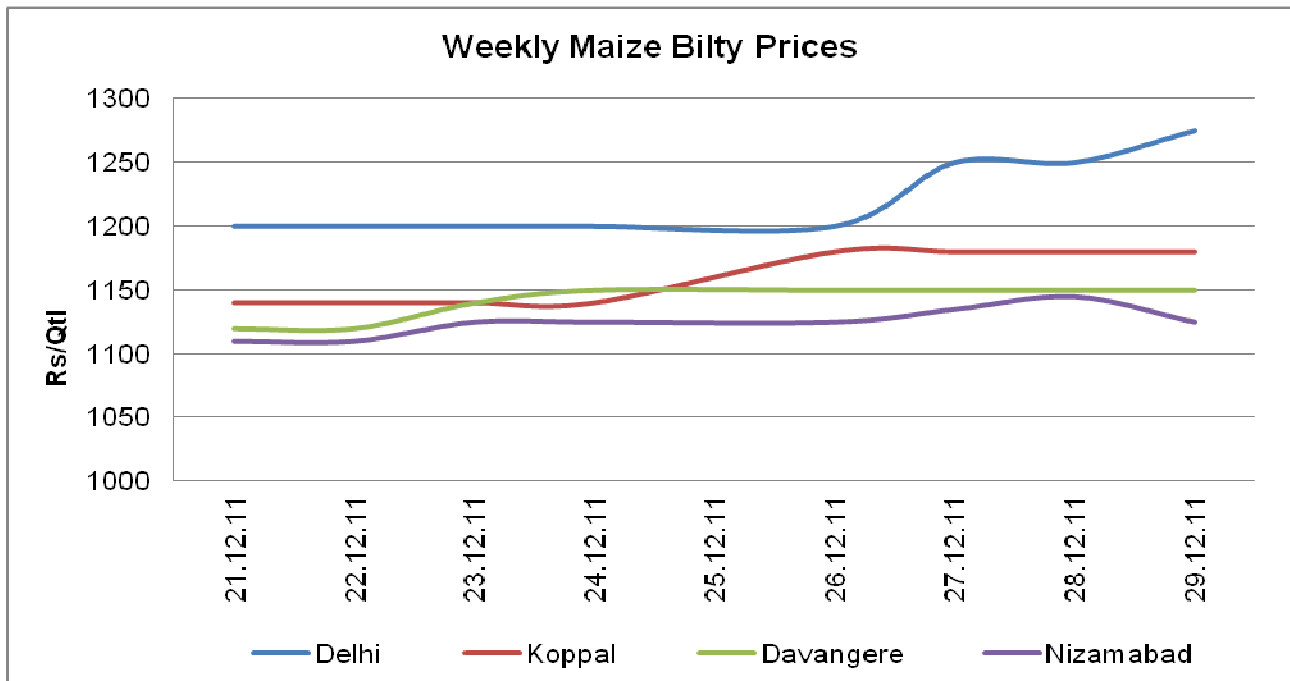


### Domestic Market Recap



**Maize prices remained steady to firm in various maize markets during the week ended 30<sup>th</sup> December 2011. Arrivals of maize from Karnataka and AP remain lower as producers are holding onto stock anticipating higher prices. In addition to this, demand from Poultry and Starch Industries remains strong.**

### On the Export front:

The exporters are asking for cargo at Rs.12150 - Rs.12200 PMT FOR Chennai. On the higher side exporters were ready to pay upto Rs.12500 FOR Chennai. However at such high prices the export parity is reduced for the existing contracts.

Destination	By Road	By Rake	FOB in USD /Tonne
Chennai	12000 – 12200	11750- 17800	250
Tuticorin	-	-	-
Kakinada	-	12000	-

Indian CIF Maize prices (~\$281.69) remain higher due to increase in domestic prices of corn. Indian corn exporters are competing strongly with Brazil CIF (~283.1) and Argentina CIF (~280.7). Increased corn production in countries like Argentina and Brazil has dragged the maize prices downwards.

Indian CNF Rate Upto Thailand vs other Countries				
	Argentina	Brazil	US	India
FOB	230.7	228.1	258.8	254
Freight for Thailand	50	55	60	35

<b>Cost and Freight</b>	280.7	283.1	318.80	289.10
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On export front: No business has been reported from Vietnam.

Malaysian Markets - The prices for Port Klang /Penang are now at USD 250 PMT CFR. This is up by almost USD 12 - 13 PMT in the last 2 weeks. Also the demand which was dull has come back with regular enquiries from the importers.

Indonesian Market - Business in container done at USD 257 for Belawan port from Mumbai and Chennai. January onwards the market for container cargo to Indonesia should see a revival.

We expect that corn demand remains sluggish due to upcoming Christmas and New Year occasion.

Indian corn exports will increase in after the New Year.

#### **Current Market Dynamics:**

Maize remained steady to firm as arrivals have started to decline in the domestic markets. Arrivals remained lower as producers hold onto stocks anticipating better returns. Demand from Consumer industries remain firm and may continue to support prices.

Firm export demand also supported the uptrend in prices. However exporters added that due to the current holiday season export may slow down amid weak rupee against the U.S Dollar.

Maize futures at NCDEX were higher. Rise in open interest along with prices indicate that an uptrend is in place and is likely to be sustained. Volume has declined to 2770, lower by 1310 against previous trading day.

Arrivals were slightly lower in Delhi and Nizamabad as producers were waiting for better returns and were holding onto stocks. Producers in Davangere offloaded stocks getting good returns for crop.

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

<b>Buyer</b>	<b>Purchase Prices (Rs/MT)</b>
Godrej Chitradurga	11600
CP Bangalore	12200
CP Vellore	12400
VHL Hubli	11900

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 Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		30 <sup>th</sup> December, 2011				
Delhi	Hybrid	1275	1200	1100	1050	1030
Koppal	Bilty	1180	1140	1080	1070	935
Davangere	Bilty	1140	1120	1100	1070	910
Nizamabad	Bilty	1125	1125	1050	1040	1030
Ahmadabad	Feed	1280	1235-1250	1125	1150	980-990
	Starch	1300	1250-1275	1150	1150	975-1000

### Spot Price (Bilty) at Andhra Pradesh: Price Outlook

#### Maize: Nizamabad (Bilty Price)



- Maize Nizamabad spot prices have moved upwards during the week 30<sup>th</sup> December 2011.
- Prices have breach Rs 1100, which acts as a strong support level. Prices remain below a crucial resistance at 11500 and two consecutive closes above the mentioned level gives the bullish signal.
- Prices are likely to remain range bound between Rs 1100 to 1150 in the coming week.

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

- U.S. corn rose this week and hit a six-week high as dry weather trimmed crop prospects in Argentina.
- Argentina's corn crop will be smaller than expected but will still set a record.
- Production at 24.5 million tonnes, above last year's record 23.0 million but below the firm's earlier forecast for 26.5 million tonnes.
- There's also continued concern about dry weather stress to portions of Brazil's corn region as well.
- Production in the US is at 312.69 million metric tonnes, below last production 316.17 million metric tonnes.
- Production in the China is at 5.74 million metric tonnes, above last production 5.45 million metric tonnes.
- Production in the India is at 2.47 million metric tonnes, marginally below last production 2.49 million metric tonnes

### **Outlook:**

***Increase in world ending stocks and higher corn production prospects from countries like China, Argentina, Brazil and India 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 firm bias.
- Corn prices have witnessed firm sentiments from lows this week which takes the corn prices upto \$640 cents/bushel.
- Firm support is at \$640 and remaining above this level would take prices to \$660 levels.
- Corn prices are likely to trade in a range from 620-660 in the coming week.
- Strategy: Buy near supports.

#### Futures Market Analysis: NCDEX Maize :



(January Contract Weekly Chart)

- Maize prices are moving in a range with firm bias as chart depicts.
- Prices are above 12 day EMA supporting the bullish sentiments in the market.
- According to the Fibonacci Retracements prices are above 23.6% level at 1196.7 and below a crucial resistance at 1235.
- RSI is moving up in neutral region supporting the bullish sentiments.
- **Strategy:** Buy from support level.

Maize NCDEX (January)

Support & Resistance				
S2	S1	PCP	R1	R2
1186	1203	1220	1236	1252

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