

Maize Market Fundamentals:

Cash maize market traded flat to weak on bearish outlook and sluggish export demand. Feed millers and starch industries are not active buyers right now and waiting for stabilization in the market. Increasing arrivals against sluggish demand is expected to depress price further.

- Improved arrivals amid weak demand led the maize prices down in Koppal market today.
- Availability of wheat and Bajra at lower prices is also unsupportive to the maize market fundamentals. Maize is likely to trade sideways with higher pressure on downward move.
- Demand of maize from Poultry and Starch industries are moderate. Prices of feed grade maize are continuously moving upwards owing to lesser arrivals in the market. Buyers from Poultry and Starch Industries are waiting for fresh arrivals of maize which might resist the prices in the coming days.
- Lesser arrivals and moderate demand have kept the maize prices unchanged in Nizamabad market. Daily 10 tonne of maize is arriving in the market. It is noticeable that fresh arrivals will hit the market in the second week of March 2012 as reported.
- World maize production prospects improved by 8 million tonnes compared to previous month despite the fact that US has grown lesser maize crop and diminishing crop outlook for South America. Recent forecast from IGC shows that overall maize production for 2011-12 will stand at 861 million tonnes which is still 0.9% higher compared to previous month maize production estimate done by IGC. Good crop harvest in countries like Ukraine and China, despite of decrease in yield due to drought situation, record crop of maize in Argentina and Brazil urge IGC to increase the production scenario of maize in tandem of all these related factors. Moreover, IGC also forecast 3% increase in demand of maize considering rise of use of maize in feeding purpose.

Outlook:

Increasing arrivals of maize from TN and lower demand of corn might drive the maize prices down for short term. Also, sharp decline in International corn prices might restrict the corn export from India.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		21-1-2012	20-1-2012	Change	21-1-2012	20-1-2012	Change
Delhi	Hybrid	1275	1280	-5	455	455	Unch
Nizamabad	Bilty	1180	1180	Unch	100	100	Unch
Davangere	Bilty	1150	1150	Unch	6667	3333	+3334
Koppal	Bilty	1160	1140	+20	6000	5000	+1000
Ahmedabad	Feed	1315	1310	+5	7000	7000	Unch
Ahmedabad	Starch	1345	1350	-5			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Feb-12	Mar-12	Apr-12
Feb-12	2.50	1255	1260	1242	1255	Spot	-67	-102	-110
Mar-12	2.00	1276	1287	1275	1285	Jan-12		30	32
Apr-12	2.00	1280	1304	1280.50	1304.50	Feb-12			7

Contract	Volume	Change	OI	Change	Stocks	Demat 20.01.12	In-Process 20.01.12	Total 20.01.12	FED 16.01.12
Feb-12	1400	-1050	13260	-90	Davangere	600	50	600	101
Mar-12	250	-750	4600	-30	Delhi	2520	0	2520	2992
Apr-12	60	-130	1190	00	Nizamabad	7965	49	8014	5855

CBOT Corn Daily Futures Price Listing (USD/MT) as on 20th Jan 2012

Contract Month	Open	High	Low	Close	Change
Mar-12	238.52	241.57	236.65	240.69	5.50
May-12	240.88	243.64	239.01	242.75	1.87
Jul-12	242.65	245.02	240.59	244.13	4.25
Sep-12	227.70	228.68	223.96	226.52	-1.28
Dec-12	219.24	219.73	215.30	217.17	-2.07

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