

Maize Market Fundamentals:

- **With increasing arrivals in south India amid** cheaper availability of wheat and limited export demand maize remained under pressure and traded lower in key markets of India. Shifting demand from maize to wheat has directly impacted the inner market tone of maize and resultantly it is expected to trade lower in the week ahead.
- **However, medium term outlook for maize is bullish due** to lower estimation of crop size in the international market. Export demand for Indian maize is expected once again in mid March as prices in the international market is likely to go up on weather concern. Besides, lower prices in domestic market may attract starch industries and feed millers to start fresh buying.
- **Wheat and maize are frequently used for feed milling and** both commodities prices affect one another sentiments as usual. However, this year wheat is expected to remain at driving seat due to ample availability and bumper production prospects and may drive maize market in the same direction wheat is heading for.
- **Buenos Aires Grains Exchange has cut its corn production estimates** for Argentina to 21.3 million tonnes. Dry whether is major concern in South America which majorly affects the yield of corn.
- **According to the USDA's latest U.S. Export Sales report**, corn exports of 1,088,900 MT were up 63 percent from the previous week. The primary destinations were to Japan (437,100 MT), Mexico (253,600 MT), China (118,900 MT), South Korea (76,600 MT), Venezuela (63,200 MT), and the Dominican Republic (35,500 MT).

International Market Commentary:

- **US corn futures closed lower amid broad-based** commodity losses and lingering pressure from Thursday's USDA report. A stronger dollar and weaker equities as Europe debt worries escalated weighed on commodities generally.
- **Corn in particular was pressured by Thursday's USDA report.** While the report was considered neutral, the market's inability to push above its trading range over the past month is considered a negative sign, which has prompted selling, including from farmers. The market could stay rangebound until a clearer picture of US planting emerges.

Outlook : *Maize is expected to trade range bound with weak bias likely to continue for short term on changing inner tone in the cash market, weak export demand and appreciating Indian currency.*

Spot Prices at Key Markets:

| Market | Grade | Prices (Rs./qtl) | | | Arrivals in bags | | |
|-----------|--------|------------------|-----------|--------|------------------|-----------|--------|
| | | 10-2-2012 | 11-2-2012 | Change | 10-2-2012 | 11-2-2012 | Change |
| Delhi | Hybrid | 1260 | 1270 | +10 | 545 | 455 | -91 |
| Nizamabad | Bilty | 1180 | 1180 | Unch | 10 | 10 | Unch |
| Davangere | Bilty | 1130 | 1130 | Unch | 1667 | 1000 | -667 |
| Koppal | Bilty | 1160 | 1160 | Unch | 5000 | 1000 | -4000 |
| Ahmedabad | Feed | 1310 | 1330 | +20 | | | |
| Ahmedabad | Starch | 1350 | 1315 | Unch | 3000 | 2500 | -500 |

NCDEX Maize Futures

| Contract | +/- | Open | High | Low | Close | Spread | Feb-12 | Mar-12 | Apr-12 |
|----------|--------|---------|---------|---------|---------|--------|--------|--------|--------|
| Feb-12 | -8.50 | 1165 | 1174.50 | 1152 | 1156 | Spot | 15 | | |
| Mar-12 | -13.00 | 1191.50 | 1194.5 | 1182.50 | 1184.50 | Jan-12 | | 35 | 54.5 |
| Apr-12 | -5.50 | 1215 | 1217.50 | 1204 | 1212.50 | Feb-12 | | | 19.5 |

| Contract | Volume | Change | OI | Change | Stocks | Demat | In-Process | Total | FED |
|----------|--------|--------|-------|--------|-----------|----------|------------|----------|----------|
| | | | | | | 10.02.12 | 10.02.12 | 10.02.12 | 06.02.12 |
| Feb-12 | 2140 | -2990 | 9690 | -870 | Davangere | 1252 | 299 | 1551 | 1252 |
| Mar-12 | 2590 | -2380 | 11370 | 1340 | Delhi | 1021 | 0 | 1021 | 1021 |
| Apr-12 | 370 | -210 | 2370 | -110 | Nizamabad | 8245 | 0 | 8245 | 8115 |

CBOT Corn Daily Futures Price Listing (USD/MT) on 10th Feb 2012

| Contract Month | Open | High | Low | Close | Change |
|----------------|--------|--------|--------|--------|--------|
| Mar-12 | 250.53 | 251.41 | 247.28 | 248.66 | -5.25 |
| May-12 | 252.40 | 252.99 | 248.95 | 250.13 | -2.36 |
| Jul-12 | 254.27 | 254.56 | 250.53 | 251.61 | -6.50 |
| Sep-12 | 232.81 | 233.50 | 228.88 | 230.06 | -3.35 |
| Dec-12 | 223.27 | 224.25 | 219.53 | 220.32 | -3.25 |

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