

**Maize Domestic Market Fundamentals:**

- Steady sentiments recorded in key spot markets on Saturday owing to dull trading activity witnessed. However, prices in Delhi improved today owing to lesser arrivals compared to prior day.
- Feed buyers are already made maize stocks for their future need in Southern part in anticipation of increase in prices in the coming month.
- Maize demand is expected to increase in the coming month as maize buyers from feed industry usually prefer maize for feed instead of Jowar and Bajra owing to availability of hot ingredients in Jowar and Bajra.
- Only 10-15% maize stocks have been arrived in the Bihar markets till date as reported. However, high moisture content still remained a big concern for traders.
- No rake business has been reported in this week from Davengere market. Subdued demand and high competition with Bihar maize divert the feed buyers towards bihar maize.
- Export demand witnessed from Rannebennur region at Rs 1060 per quintal.

**Daily International Market Scenario:**

- South Africa cuts its corn production estimate to 11.056 million tons from 11.12 million tons for 2011-12. Corn output is affected by dry weather in Northwest province which ultimately affect the yield. It is notable that out of 11.056 million tons, 6.36 million tons is white maize and rest is yellow maize. Source: Crop Estimates Committee (CEC).
- US is facing stiff competition from Ukrainian and Argentina corn as China is slowly shifting its corn buying intentions towards these corn producers. Recently, Japan bought 500000 tons of corn from Ukraine. It is notable that FOB prices of Ukraine and Argentina corn is considerably lower compared to US at present. However, queries might rise on quality grounds. Chinese corn imports increase considerably this year to 7 million tons from 6 million tons a year earlier.
- IGC recently raised global corn production estimate to 913 million tons for 2012-13 in its May report from 900 million tons estimate last month. Good corn planting figures came from US and Ukraine urges them to raise their global corn production estimates by 5%.
- Argentina's Buenos Aires Grains Exchange cuts corn production estimate to 19.3 million tons from 19.8 million tons for 2011-12. It is notable that drought and then flooding in Argentina hurt crops like Corn and Soyabean.
- Weekly US corn export sales were 482100 tons this week (old crop and new crop combined) which is well below the estimates for 1 million tons to 1.3 million tons which urge the corn prices to decline.

**Outlook: Corn prices in domestic markets should move steady to weak as ample stocks of maize still left with farmers in Bihar. Also, good corn planting in US and Ukraine kept the international prices under pressure.**

**Spot Prices at Key Markets:**

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		26.5.2012	25.5.2012	Change	26.5.2012	25.5.2012	Change
Delhi	Hybrid	1100	1085	+15	455	636	-182
Nizamabad	Bilty	-	1100	-	-	1000	-
Davangere	Bilty	-	1090	-	-	500	-
Koppal	Bilty	1100	1100	Unch	-	-	-
Naugachia	Bilty	900	900	Unch	16667	16667	Unch
Kolkata	Mill	1025	1025	Unch	8333	8333	Unch
Ahmedabad	Feed	1160	1160	Unch	4000	4000	Unch
	Starch	1200		-			

**NCDEX Maize Futures**

Contract	+/-	Open	High	Low	Close	Spread	June-12	June-12	Aug-12
June-12	1	1136	1145	1136	1141	Spot			
July-12	1	1188	1192	1185	1187	June-12			
Aug-12	2	1225	1228	1215	1223	July-12			

  

Contract	Volume	Change	OI	Change	Stocks	Demat 25.5.12	In-Process 25.5.12	Total 25.5.12	FED 21.05.12
June-12	3220	-5100	13780	-110	Davangere	2741	151	2892	2542
July-12	1730	-2990	6460	-120	Nizamabad	5958	51	6009	6463
Aug-12	560	-920	4240	60					

**CBOT Corn Daily Futures Price Listing (USD/MT) as on 25<sup>th</sup> May 2012**

Contract Month	Open	High	Low	Close	Change
<b>Jul-12</b>	229.47	232.03	225.63	227.70	unch
<b>Sep-12</b>	205.66	208.02	204.08	207.23	3.25
<b>Dec-12</b>	203.88	205.95	202.41	205.26	6.50
<b>Mar-13</b>	208.12	210.38	207.43	209.69	2.46
<b>May-13</b>	211.76	213.43	210.48	212.94	2.46

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