

Maize Domestic Market Fundamentals:

- Maize prices have risen in various maize spot markets on Friday. Maize prices have risen in many spot market as arrivals and stocks are depleting but maize has substantial demand in market but at Delhi spot market arrivals are consistently coming from UP.
- Maize sowing has started in AP and farmers have planted maize in 1.66 lac hectares till 4th July 2012 which is higher than last year's ~0.92 lac hectares maize sowed at same period but it is lesser as compared to normal sown area as on date ~2.17 lac hectares. According to the Government of Andhra Pradesh, till date 33% sowing has been completed.
- In Punjab till now, around 70% of maize crop has arrived in the market and whole crop is being consumed by Poultry and Starch industries situated in the state of the Punjab only.
- As per the reports around 70% of maize crop has arrived in Bihar markets till date. Arrivals and Stocks of Maize are depleting but demand is firm which would increase the prices of maize from here on. Therefore farmers and traders are holding maize in Bihar markets in anticipation of price rise.
- As per the statement of Agriculture minister of India Mr. Sharad Powar Maize acreage will likely shift towards pulses and oilseeds owing to lesser rainfall.
- Recently a corn cargo rejection by Vietnam has raised apprehensions, as this rejection has hurt the reputation of Indian Maize in global Market. It is notable that on M-o-M basis US exports has declined, as crop concerns has diverted the attention of major importers; South Korea, China and Japan towards India, Ukraine, Argentina and Brazil.
- Rake restrictions has been lifted in Bihar, so South Indian markets will be getting Bihar's maize as rakes are being loaded from Bihar to TN and Bangalore.
- Indian C&F Maize prices (~\$305.65) improved by \$20 per ton during the week compared to the prior week as maize prices got support due to good poultry and starch industries from Southern India. In addition to it, recent appreciation in Rupee also supports the export prices of maize. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices of maize (~\$373.15) and though getting stiff competition from Argentina (~\$292.2) and Brazil C&F (~\$290.12).

International Market Scenario:

- USDA report shows that 48 percent of US corn standing crop is in good to excellent condition, compared to 56 a week earlier due to lack of rainfall and because of hot and dry weather affecting the new planted corn. Corn crop condition affected is majorly affected in states of Missouri, Indiana and Illinois due to drought, which is considered to be the worst drought in past 25 years and it is expected that it has destroyed at least 6% of corn crop so far.
- Ukraine's state department of weather has slashed output by 2 million tonnes (from 44 million tonnes to 42 million tonnes) on Thursday because maize crop is smaller than what it was expected.

Outlook: Maize prices moving upwards in spot markets taking cues from strong demand from poultry and starch industries and firm international sentiments. However, increasing maize crop from UP and Punjab and expected increase in supply from Bihar might depress the prices of maize in the coming days for the shorter term as expected.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		06.7.2012	05.7.2012	Change	06.7.2012	05.7.2012	Change
Delhi	Hybrid	1175	1150	+25	2182	1273	+909
Nizamabad	Bilty	-	-	-	-	-	-
Davangere	Bilty	1275	1275	Unch	1667	1000	+667
Naugachia	Bilty	1025	1030	-5	2500	3333	-833
Kolkata	Mill	1200	1150	+50	5000	6667	-1667
Ahmedabad	Feed	1270	1270	Unch	3000	3000	Unch
	Starch	1325	1300	+25			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close
July-12	8	1295	1309	1288	1298
Aug-12	11	1317	1331	1310	1322
Sept-12	8	1347	1360	1343	1353

Contract	Volume	Change	OI	Change
July-12	1380	-2210	4210	-560
Aug-12	11970	1880	26050	1540
Sept-12	1550	-20	3740	390

Spread	July-12	Aug-12	Sept-12
Spot	-	-	-
July-12	-	-	-
Aug-12	-	-	-

Stocks	Demat	In-Process	Total	FED
	05.7.12	05.7.12	05.7.12	02.7.12
Davangere	1945	0	1945	1995
Nizamabad	1599	41	1640	4773
Delhi	4070	1539	5609	3623

CBOT Corn Daily Futures Price Listing (USD/MT) as on 5th July 2012

Contract Month	Open	High	Low	Close	Change
Jul-12	289.30	305.73	288.31	302.28	49.25
Sep-12	271.58	281.03	270.40	278.96	13.68
Dec-12	271.19	280.64	269.81	278.87	34.00
Mar-13	274.04	283.49	272.76	281.72	13.19
May-13	275.13	284.38	272.96	282.51	12.40

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