

Maize Domestic Market Fundamentals:

- Maize prices continuously moving higher due to good demand from feed industry. Meanwhile, arrivals of maize seen higher at higher quotes as traders who holds the maize are making efforts to release its maize stocks at higher prices.
- Asian corn buyers seems not interested in buying corn and postponed tenders due to recent surge in corn prices in CBOT owing to corn crop concerns in US. However, some Vietnam millers are seeking corn as they are out of stock at present. It is notable that Vietnam is the traditional buyer of Indian corn which is offering lower quotes compared to Argentina, US and Brazil.
- Farmers have planted maize in 2.55 lac hectares in AP till 11th July 2012 that is higher than last year ~2.11 lac hectares maize sowed at same period but lower compared to normal sown area as on date ~2.87 lac hectares. Around 51% sowing has completed in AP till date.
- Karnataka stockists are starting liquidating maize stock at higher levels which is indicating from increase in arrivals in Karnataka markets. It is notable that around 20% maize stock still hold by traders in Karnataka as reported.
- Rising maize prices drag the wheat and barley prices upwards as feed industry will continue to use corn as main ingredients amid wheat prices are still ruling higher compared to maize prices. However, wheat and maize prices are moving neck to neck and there is no possibility of shifting any users from maize to wheat or wheat to maize.
- Around 35% stock of maize still left in UP. It is notable that presently, UP maize is delivered to markets like Delhi and Gujarat feed millers as reported.

International Market Scenario:

- Corn prices declined yesterday over USDA forecast weaker demand for grain.
- USDA slashed US corn production forecast to 12.9 billion bushels from 14.79 billion bushels forecasted by USDA in June 2012. Extended dry season in US damaging corn crop.
- China harvested 192.8 million tons of corn in 2011 which is 1 million tons more than previous estimate, according to China National Grains and Oils information Center.
- USDA report shows that 40 percent of US corn standing crop is in good to excellent condition, compared to 48 a week earlier due to lack of rainfall and dry weather affecting the new planted corn. Majorly, corn crop condition affected in states like Missouri, Indiana and Illinois.

Outlook: Maize prices seems bullish in medium to long term considering firm demand and lower maize stocks. In addition to it, delayed sowing and kharif maize harvesting future prospects likely to take the prices to new high.

Spot Prices at Key Markets:

Market	Grade	Prices (Rs./qtl)			Arrivals in bags		
		12.7.2012	11.7.2012	Change	12.7.2012	11.7.2012	Change
Delhi	Hybrid	1225	1225	Unch	2182	2182	Unch
Nizamabad	Bilty	-	-	-	-	-	-
Davangere	Bilty	1310	1280	+30	1000	833	+167
Naugachia	Bilty	1075	1075	Unch	5000	3333	+1667
Kolkata	Mill	1250	1240	+10	6667	6667	Unch
Ahmedabad	Feed	1350	1325	+25	2000	2000	Unch
	Starch	1390	1300	+90			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Aug-12	Sept-12	Oct-12
Aug-12	41	1364	1405	1359	1405	Spot	-330		
Sept-12	37	1388	1420	1379	1419	Aug-12		-26	
Oct-12	31	1396	1425	1393	1425	Sept-12			14

Contract	Volume	Change	OI	Change	Stocks	Demat	In-Process	Total	FED
Aug-12	17810	7460	27990	910		11-07-12	11-07-12	11-07-12	09.7.12
Sept-12	4620	1830	8900	590	Davangere	1942	0	1945	748
Oct-12	700	280	1660	440	Nizamabad	1631	0	1631	120
					Delhi	8850	50	8900	6597

CBOT Corn Daily Futures Price Listing (USD/MT) as on 11th July 2012

Contract Month	Open	High	Low	Close	Change
Jul-12	299.33	309.07	288.21	295.50	-10.25
Sep-12	282.60	294.81	269.81	277.09	-5.71
Dec-12	282.01	294.41	269.71	277.09	-13.50
Mar-13	284.18	295.79	271.78	278.77	-5.71
May-13	284.38	295.59	272.96	279.06	-5.81

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