

Maize Domestic Market Fundamentals:

- Firm sentiments recorded in various maize spot markets on Wednesday.
- Poultry industries from Southern region feel the heat of rising corn prices and trying to shift towards wheat as feed ingredient.
- Indian C&F Maize prices (~\$340.84) improved by \$24 per ton during the week compared to the prior week as maize prices got support due to good poultry and starch industries. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices of maize (~\$385.30) and though getting stiff competition from Argentina (~\$329.04) and Brazil C&F (~\$323).
- Agriculture ministry increased foodgrains production estimate for 2011-12 to 257.44 million tons which is up from the food grains production estimated by government in the third advance estimate which was stood at 52.56 million tons.
- Traders and farmers are holding maize stocks at present in anticipation of higher prices. Bihar maize is presently moving towards Nepal, Kolkata and Kakinada for exports as reported.
- Maize is moving by roads from Davengere to Bangalore at FOR 1450 per quintal. Also, Karnataka maize delivered to Erode market is quoted at Rs 1500 per quintal FOR. Around 100 trucks of maize is moved from Davengere daily towards various consumption centers.
- There is fewer maize arrivals left in Punjab which is going to end in the coming week as expected. Meanwhile, maize is moving from Punjab towards Mundra and Kandla port.
- As far as sowing of maize is concerned, it is way behind last year sowing figures owing to lack of rainfall. Farmers have planted maize in 21.76 lac hectares till 13th July 2012 lower than last year ~31.38 lac hectares maize sowed at same period. Major decline in maize acreage witnessed in states like Karnataka, Rajasthan, UP and Bihar compared to last year.

International Market Scenario:

- Corn prices surged yesterday owing to extended dry spell continued in US which hurting corn crop.
- USDA downgrades corn crop condition to 31 percent good to excellent down from 40 percent a week ago.
- Recently, UAE bought 20000 tons of corn from Argentina, according to news reported in Reuters.
- Corn farmers cutting their fields in US to feed their cattle as growing corn prices increase the costing to farmers.

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		
		18.7.2012	17.7.2012	Change	18.7.2012	17.7.2012	Change
Delhi	Hybrid	1360	1340	+20	2909	2727	+182
Nizamabad	Bilty	1328	1316	+12	-	-	-
Davangere	Bilty	1400	1355	+45	1667	1667	Unch
Naugachia	Bilty	1100	-	-	3333	-	-
Kolkata	Mill	1260	-	-	5000	-	-
Ahmedabad	Feed	1475	1440	+35	5000	6000	-1000
	Starch	1450	1450	Unch			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Aug-12	Sept-12	Oct-12
Aug-12	5	1504	1520	1485	1498	Spot	-170		
Sept-12	-2	1534	1550	1512	1523	Aug-12		14	
Oct-12	-14	1562	1562	1518	1527	Sept-12			6

Contract	Volume	Change	OI	Change	Stocks	Demat	In-Process	Total	FED
Aug-12	22050	-14650	29530	10		17-7-12	17-7-12	17-7-12	16-7-12
Sept-12	9420	-8580	15320	-180	Davangere	1942	0	1945	1942
Oct-12	4010	-2180	5250	-500	Nizamabad	1631	0	1631	1631
					Delhi	10084	1761	11845	10084

**CBOT Corn Daily Futures Price Listing (USD/MT) as on 17th July 2012**

Contract Month	Open	High	Low	Close	Change
Sep-12	310.94	313.50	301.89	306.81	2.75
Dec-12	308.58	310.55	300.02	303.56	-0.49
Mar-13	307.80	310.26	300.02	303.76	-0.75
May-13	305.24	308.19	298.25	302.48	0.39
Jul-13	302.09	304.84	294.71	300.22	1.67

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