

Maize Domestic Market Fundamentals:

- Maize spot markets closed today due to Eid except Delhi markets where prices surge today owing to increase in maize demand from poultry and starch industries.
- Total acreage of maize in India as on Aug 16, stood at 6.94 million hectares, down marginally year on year. It is notable that sowing of maize is almost over and various trade houses are trying to figure out the yield of maize which will become crucial factor for analyzing the production of maize for the coming kharif season. However, as per Agriwatch initial survey, Yield is likely to decline in AP, Karnataka due to late sowing and lack of rainfall.
- Indian C&F Maize prices (~\$346.14) to Thailand improved 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 (~\$392.00) and though getting stiff competition from Argentina (~\$339.00) and Brazil C&F (~\$329).
- Maize prices are likely to move up in the medium to long term due to delay sowing as well as harvesting by 30-45 days and lower stock position of maize in Southern part of India.
- Feed millers and traders have only 1 month of stock left with them in Karnataka as reported.
- As far as sowing of maize is concerned, it is almost over and crop condition is average to good in AP. It is noticeable that there is scattered rainfall in major maize sowing region like Mahboobnagar, Nizamabad and Karimnagar.

International Market Scenario:

- USDA forecast biggest corn harvest in history for the coming season two months ago i.e. 376 million tons. However, after now after US registered worst drought in US since 1930 slashed all hopes of record production of corn and bound USDA to slashed its US corn production estimate to 274 million tons. Analysts now predicting corn prices would test 8.90 cents/bushels level.
- Indian wheat may replace US corn as prices of wheat in India is cheapest compared to other major wheat producing countries. In addition to it, lower US corn production scenario urge feed buyers from various consuming nations to shift towards wheat from corn due to lower prices.
- Bunge says it may export corn from Brazil to US. It is notable that corn has been harvested in Brazil recently. Also, FOB prices of corn in Brazil is quite competitive ~\$274 compared to US and Argentina.
- Pakistani traders exports around 80000 tons of corn to South east Asian countries at FOB \$280-290 per ton as reported.

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		
		20.8.2012	18.8.2012	Change	20.8.2012	18.8.2012	
Delhi	Hybrid	1325	1300	+25	1364	1273	+91
Nizamabad	Bilty	-	1419	-	-	-	-
Davangere	Bilty	1450	-	-	1167	-	-
Naugachia	Bilty	-	1200	-	-	4167	-
Kolkata	Mill	-	1350	-	-	6667	-
Ahmedabad	Feed	1470	1470	Unch	10000	4000	+6000
	Starch	1470	1500	-30			

NCDEX Maize Futures

Contract	+/-	Open	High	Low	Close	Spread	Aug-12	Sept-12	Oct-12
Sept-12	-	-	-	-	-	Spot			
Oct-12	-	-	-	-	-	Aug-12			
Nov-12	-	-	-	-	-	Sept-12			

Contract	Volume	Change	OI	Change	Stocks	Demat	In-Process	Total	FED
Sept-12	-	-	-	-		17-8-12	17-8-12	17-8-12	13-8-12
Oct-12	-	-	-	-	Davangere	1091	0	1091	1091
Nov-12	-	-	-	-	Nizamabad	2352	51	2403	2358
					Delhi	24825	1006	25831	20939

CBOT Corn Daily Futures Price Listing (USD/MT) as on 18th Aug 2012

Contract Month	Open	High	Low	Close	Change
Sep-12					
Dec-12					
Mar-13					
May-13					
Jul-13					

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.