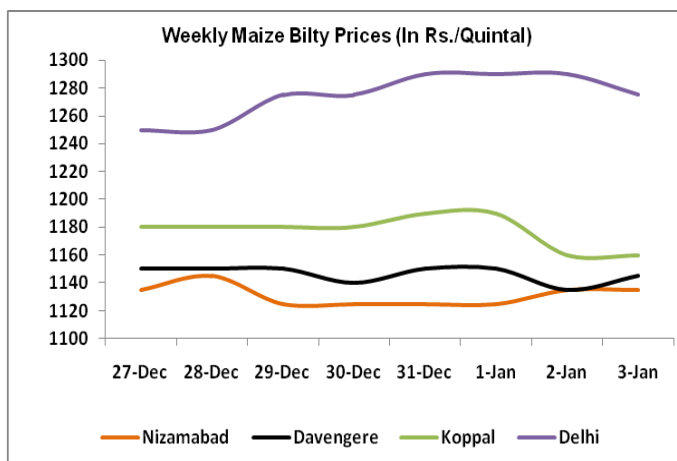


Domestic Market Recap

Maize prices have surged in various maize markets during the week ended 20th December 2011. Arrivals of maize from Karnataka and AP markets are lowering downwards that weigh on to the maize prices last week. In addition to this, demand from Poultry and Starch Industries is strong.

On the Export front:

Exporters are asking for cargoes ranging from Rs 12150 to Rs 12200 FOR Chennai. More desperate exporters are ready to pay upto Rs 12300 to 12400 FOR Chennai.



| Destination | By Road | By Rake | FOB in USD /Tonne |
|-------------|---------------|---------|-------------------|
| Chennai | 12000 - 12200 | 11700 | 243 |
| Tuticorin | | 11840 | |
| Kakinada | | 11850 | |

Indian CIF Maize prices (~\$281.69) have surge due to increase in domestic prices of corn. Indian corn exporters are competing strongly with Brazil CIF (~283.1) and Argentina CIF (~280.7). Increased corn production in countries like Argentina and Brazil have dragged the maize prices downwards.

| Indian CNF Rate Upto Thailand vs other Countries | | | | |
|--|-----------|--------|--------|--------|
| | Argentina | Brazil | US | India |
| FOB | 230.7 | 228.1 | 258.8 | 254 |
| Freight for Thailand | 50 | 55 | 60 | 35 |
| Cost and Freight | 280.7 | 283.1 | 318.80 | 289.10 |

On export front: No business has been reported from Vietnam.

Indonesia Market: Business done in container at CFR USD 257 for Belawan port from Mumbai and Chennai. Business is likely to revive for container cargo to Indonesia.

Business has been reported for Port Klang at CFR 237. However, some exporters also quoting around USD 243 CFR. It is noticeable that a Panamax has arrived that carrying 70000 MT of Argentinean maize which will reduce the Indian Corn demand for a while. Argentina Corn FOB prices are lesser than Indian Corn prices which snatch the attention of corn buyers like Malaysia towards Argentina corn.

We expect that corn demand remains sluggish due to upcoming Christmas and New year occasion.

Indian corn exports will remain slow and an increase in exports will come only after mid - January.

Current Market Dynamics:

Firm sentiments were recorded in various corn spot markets during the week ended 20th December 2011. Improved demand from Poultry and Starch Industries and sluggish arrivals of maize led the maize prices upwards.

Prices have improved in Nizamabad market due to low arrivals this week. The arrivals in Nizamabad market were 3000 bags (100 kg each) which is much lesser than previous week's arrivals (~10600 bags). Meanwhile, maize prices in Delhi have surged sharply due to higher demand. Major reason for decline in maize arrivals is that the farmers are involved in sowing maize for Rabi season. However, market is expecting that arrivals of maize will increase after January as farmers expects to windup their sowing operations till then.

It is noticeable that new maize from Erode belt of Tamil Nadu has started arriving. However, higher moisture content in maize (~15-16%) becomes a concern.

Following are the few active buyers in southern states of country with their purchase prices -

| Buyer | Purchase Prices (Rs/MT) |
|--------------------|-------------------------|
| VHL Hubli | 11600 |
| Godrej Chitradurga | 11600 |
| CP Bangalore | 12200 |
| CP Vellore | 12400 |

Considering the low arrivals and good domestic as well as export demand of corn, we expect prices of maize will move up in the coming week.

Maize Spot Market Prices (Rs. /Quintal)

| Market | Grade | Today | Week Ago | Month Ago | 2 Month Ago | Year Ago |
|-----------|--------|---------------------------|----------|-----------|-------------|----------|
| | | 3 th Jan, 2012 | | | | |
| Delhi | Hybrid | 1275 | 1250 | 1100 | 1100 | 1040 |
| Koppal | Bilty | 1160 | 1180 | 1100 | 1070 | 975 |
| Davangere | Bilty | 1145 | 1150 | 1116 | 1080 | 910 |
| Nizamabad | Bilty | 1135 | 1135 | 1070 | 1040 | 1035 |
| Ahmadabad | Feed | 1300 | 1300 | 1125 | 1160 | 990 |
| | Starch | 1325 | 1325 | 1160 | 1160 | 1000 |

Spot Price (Bilty) at Andhra Pradesh: Price Outlook
Maize: Nizamabad (Bilty Price)



- Maize Nizamabad spot prices has continued its bull run during the week ended 3rd January 2012.
- Prices are continuously trying to test 38.2% retracement level and come down which suggests that prices are not likely to sustain at higher level.
- Prices are likely to remain range bound between Rs 1100 to 1150 in the coming week.

International Market: Highlights/Current Developments:

International corn prices have surged during week ending 20th December 2011. According to the Wasde report, World corn production has increased by 8.5 million tonnes and stood at 867.5 million tonnes which is 40 million tonnes higher compared to last year. USDA also cut the food and industrial usage of corn to 162.6 million tonnes and increased corn ending stocks to 21.53 million tonnes which increase the supply situation of corn in the market. This may have affected prices adversely.

Meanwhile, China's corn production has increased by 7 million tonnes from last month and stood at 191.75 million tonnes. In addition to it, Corn production in EU 27 also increased by 1 million tonnes.

Outlook:

Increase in world ending stocks and higher corn production prospects from countries like China, Argentina, Brazil and EU 27 will increase the supply of corn in the market. Also, increasing dollar value kept the corn international prices on the lower side. We expect some further price decline in Corn CBOT prices in the coming week.

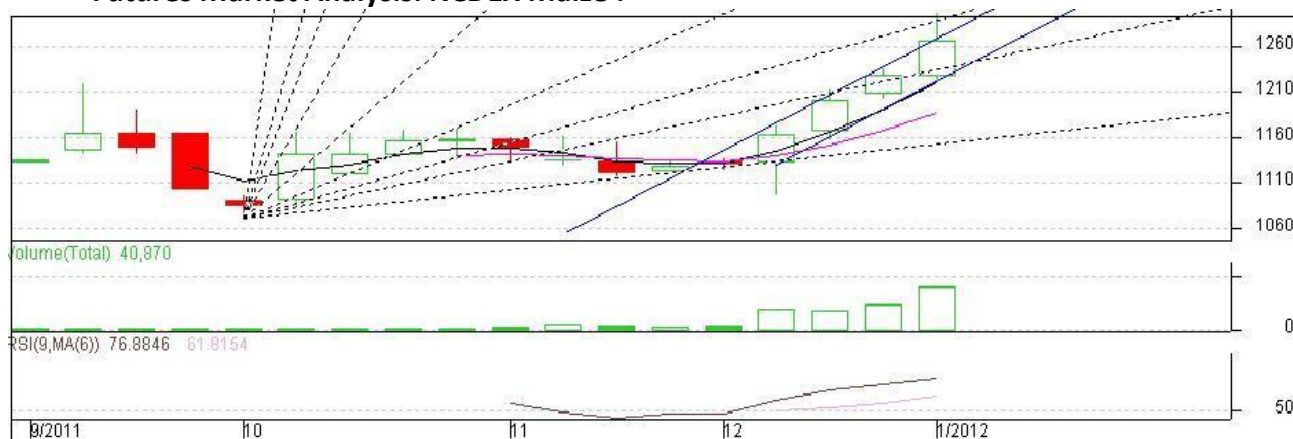
CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Corn prices find resistance at 38.2% retracement level as chart depicts.
- Corn prices have witnessed short covering this week
- Corn prices are likely to trade in a range between 630 to 660 in the coming week.
- Strategy: Buy from support level.

Futures Market Analysis: NCDEX Maize :



(January Contract Weekly Chart)

- Maize prices are moving upwards sharply as chart depicts.
- Increase in prices along with open interest indicates long positions are build up in the market.
- 1215-1290 is the immediate trading range for the price. Breach of mentioned levels will give the prices a new direction.
- RSI is hovering in overbought region.
- **Strategy:** Buy from support level.

Maize NCDEX (January)

| Support & Resistance | | | | |
|----------------------|------|------|------|----|
| S2 | S1 | PCP | R1 | R2 |
| 1190 | 1215 | 1266 | 1297 | - |

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