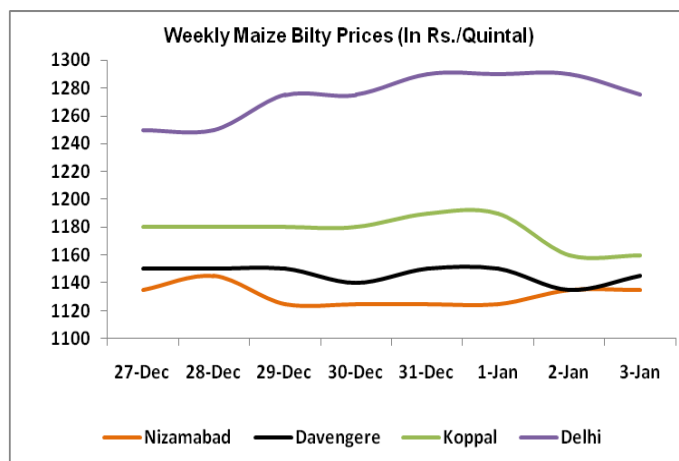


Domestic Market Recap

Steady to firm sentiment witnessed in various maize markets during the week ended 3rd January 2012. Arrivals of maize from 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 moderate.

On the Export front:

Exporters are asking for cargoes ranging from Rs 12400 to Rs 12500 FOR Chennai.



Destination	By Road	By Rake	FOB in USD /Tonne
Chennai	12400 - 12500	12000	-
Mumbai	12400	-	-
Kakinada	-	12200	-

Indian CIF Maize prices (~\$305.00) have surged due to increase in domestic prices of corn. Indian corn exporters are competing strongly with Brazil CIF (~293.6) and Argentina CIF (~315.2). Unfavorable whether conditions in Argentina (Second biggest exporter of corn after US) and Brazil weigh on the corn international prices. Increase in corn international prices gives Indian corn exporters an opportunity to export corn but lesser corn arrivals and higher moisture content in maize restrict them to do it so.

Indian CNF Rate to Thailand vs. other Countries				
	Argentina	Brazil	US	India
FOB	265.2	238.6	275.5	270
Freight for Thailand	50	55	60	35
Cost and Freight	315.2	293.6	335.50	305.00

On export front:

Export demand was slow last week as a big portion of export market was closed due to New Year occasion. However, it is expected that Chinese will approach to the market for corn import by 20th January which will increase the demand of corn.

No business has been reported from Vietnam.

Indonesia Market: Business has been reported at around USD 265-268 in containers.

Malaysian Market: Buying is slow due to New Year occasion. However, prices were quoted at around USD 255-260 CFR.

Indian corn exports will remain slow as higher moisture stock of maize is arriving in the market which is not suitable for exports.

Current Market Dynamics:

Steady to firm sentiments prevailed in the maize domestic markets during the week ended 3rd January 2012. Continuous buying of maize from Poultry and Starch Industries and sluggish arrivals of corn in the domestic markets weigh on the corn prices.

Prices have improved in Nizamabad market due to low arrivals this week. The arrivals in Nizamabad market were 1050 bags (100 kg each) which is much lesser than previous week's arrivals (~1200 bags). However, improved arrivals of maize in Davengere market restrict the prices of maize to move up further. Meanwhile, maize prices in Delhi have surged due to improved 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 expect 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	11900
CP Bangalore	12200
CP Vellore	12400

Considering the low arrivals and moderate domestic 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 have 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 moved up during the week ended 3rd January 2012. Concern over Argentina and Brazil corn crop weigh on to the corn prices. It is noticeable that drought conditions in Argentina and Brazil decrease the yield of corn which urges various trading houses to decrease the corn production estimates of these countries that ultimately support the corn prices in CBOT during the week.

Corn Production Estimates for 2011-12 (In MMT)		
	Argentina	Brazil
USDA December Estimate	29	61
US Commodities	27	60
ABN Amro	27	59
Citi Group	25	59.5

Outlook:

Considering improved domestic demand of corn and unfavorable weather conditions in Argentina and Brazil resulting in less yield support the corn prices. We expect fresh buying might occur from present level after long holidays of New year which will increase the demand as well as prices of corn in the coming week.

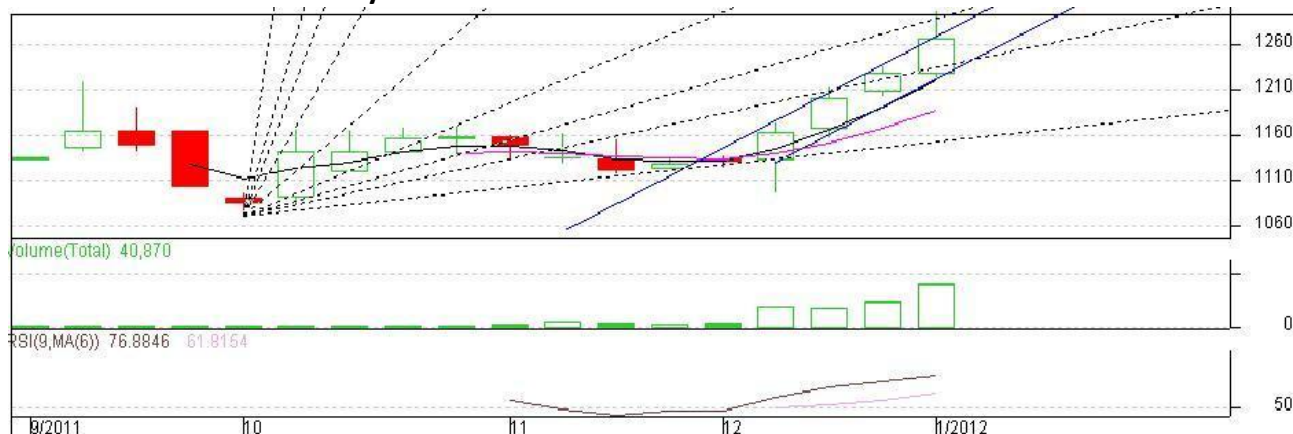
CBOT Corn Futures Outlook:

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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