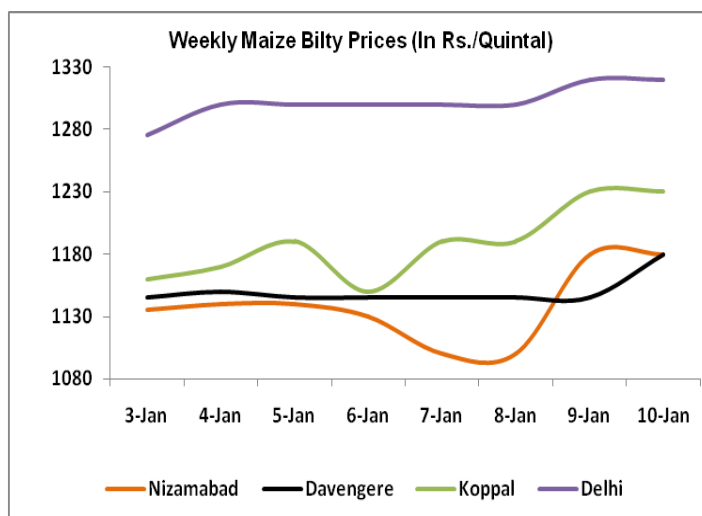


Domestic Market Recap

Steady to firm sentiments were witnessed in various maize markets during the week ended 10th January 2012. Lesser arrivals and moderate demand of maize from Poultry and Starch industries kept the prices at higher side.

On the Export front:

Exporters are asking for cargoes ranging from Rs 12600 to Rs 12700 FOR Chennai.



Destination	By Road	By Rake	FOB in USD /Tonne
Chennai	13000	13000	-
Mumbai	13300	-	-
Kakinada	-	-	-

Indian CIF Maize prices (~\$315.00) have surged due to increase in domestic prices of corn. Indian corn exporters are competing strongly with Brazil CIF (~293.6) and Argentina CIF (~312.6). Unfavorable weather 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 though the lower corn arrivals with higher moisture content poses problems.

Indian CNF Rate to Thailand vs. other Countries				
	Argentina	Brazil	US	India
FOB	262.6	238.6	280.5	281
Freight for Thailand	50	55	60	35
Cost and Freight	312.6	293.6	340.50	315.94

Good export demand of maize has been witnessed globally which has taken the corn prices beyond 600 cents per bushel. Also, crop concerns in Argentina and Brazil due to drought conditions weigh on to the maize prices. .

No business has been reported from Vietnam.

Indonesia Market: Business has been reported at around USD 270 in containers and buyers are showing interest in buying corn at these prices.

Malaysian Market: Buying is slow but prices were quoted at around USD 255-260 CFR.

Indian corn exports will remain slow as high moisture in the maize arriving in the markets are not suitable for exports.

Current Market Dynamics:

Lesser arrivals and concern over Argentinean crop support the prices of maize in various key domestic markets during the week ended 10th January 2012.

Prices have improved in Nizamabad market due to low arrivals this week. The arrivals in Nizamabad market were 590 bags (100 kg each) which is much lesser than previous week's arrivals (~1050 bags). Meanwhile, maize prices in Delhi have surged due to improved demand.

Meanwhile, rake business has been reported from various sourcing centers like Nizamabad, Davengere, and Koppal to various destinations.

- Around 20 rakes of maize has been transported in this season till date from Haveri (Karnataka) region and 23 rakes from Davangere. In total around 73 rakes of maize has been sent out till date in this season from Davengere, Ranebennuru, and Haveri.
- One rake from Davengere market is reported at FOR 1255 Chennai delivery.
- Also, 30 rakes have been moved from Ranebennuru center (Karnataka) this season till date. Ranebennuru is 37 km from Davengere market and becoming a major sourcing center of maize.
- Around 50 rakes of maize have been reportedly moved from Koppal to various consumption centers and ports till date in this season.

Arrivals from Tamil Nadu crop is still delayed due to recent rains in the region.

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

Buyer	Purchase Prices (Rs/MT)
VHL Hubli	12300
Godrej Chitradurga	12300
CP Bangalore	12800
CP Vellore	12900

According to the recent WASDE report, improved supply of corn and higher production scenario will have some impact on global corn prices . which might squeeze the parity of corn from Indian exporters. We expect prices are likely to go down in the coming week.

Crop Progress and Market Arrivals:

- **Maharashtra maize growers have sown around 1.12 lac hectares** of maize in their respective fields for Rabi season 2011-12 till 9th January which is 1.8% higher compared to crop sown during the same period last season. However 95% area have been covered for Rabi in Maharashtra till date out of the targeted area i.e. 1.2 lac hectares.
- **Around 3.38 lac hectares of maize has been planted by maize growers** in Bihar for Rabi season up to 12th January 2012 that is 7% higher planting of maize compared to previous year same period.
- **Progressive sowing activities have been satisfactory so far** in A.P. Maize has been planted in 2.60 lac hectares in AP till 11/01/2012 which is 5.3% higher compared to previous year same period.
- **However, it is lagging behind in U.P. Maize has been planted** in 33372 hectares so far for Rabi season till 28th December 2011 in Uttar Pradesh which is 36.9% lower compared to previous year last year till date. Growers had planted 52900 hectares in corresponding period last year.
- **Maize arrivals in Delhi markets remained same compared to prior** day. However, Nizamabad market was closed today due to strike.

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)


- Selling in Maize spot market Nizamabad market has been witnessed during the week ended 10th January 2012.
- Selling witnessed from 38.2% retracement level and prices are likely to test 50% retracement level.
- Sluggish demand is the main reason for the decline in the prices.
- Last candlestick pattern called black closing morubozu suggests that prices are likely to move down further.
- Prices are likely to trade between Rs 1075 to Rs 1130 in the coming week.

International Market: Highlights/Current Developments:

International corn prices have tumbled during the week ended 10rd January 2012. Recent rains in drought affected areas in Argentina give some respite to the standing crop and also weigh on to the corn prices. It is noticeable that drought conditions in Argentina and Brazil are likely to decrease the yield forcing trading houses to revise estimates down, which also supported the corn prices in CBOT last 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 good demand of corn and higher corn production estimate by USDA, corn prices are likely to trade range bound with weakness in the prices in the coming week.

CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Corn prices are moving downwards and moving in a trading range as chart depicts.
- After seeing profit booking last week, fresh selling witness in the market.
- Corn prices are likely to trade in a range between 630 to 660 in the coming week.
- Decrease in prices with volume and open interest support indicates short buildup occurs in the corn CBOT market.
- Strategy: Sell from resistance level.

Futures Market Analysis: NCDEX Maize :



(February Contract Weekly Chart)

- Maize prices are moving range bound' as chart depicts.
- Prices are moving in a range between Rs 1264 to 1317, breach of mentioned level either side will decide the movement of the prices further. If prices breach the level downwards, then it has the potential to test Rs 1210 level which also lying over lower Gann Fann line.
- RSI is hovering in overbought region which indicates that profit booking might occur from present level.
- **Strategy:** Sell from resistance level.

Maize NCDEX (February)

Support & Resistance				
S2	S1	PCP	R1	R2
1250	1264	1302	1317	1335

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