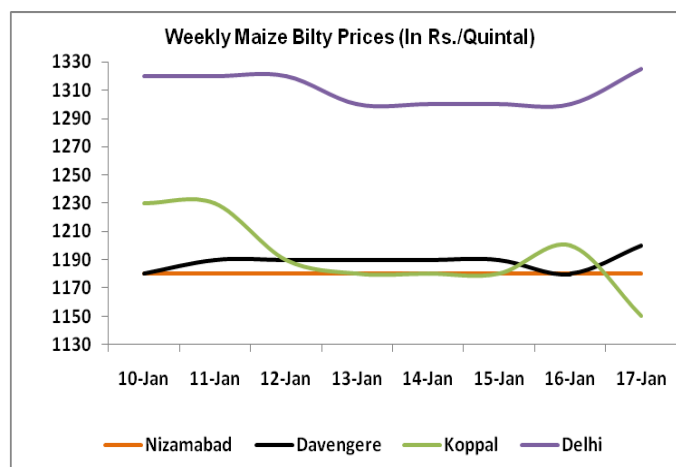


### Domestic Market Recap

*Mixed sentiments prevailed in various maize key spot markets during the week ended 17<sup>th</sup> January 2012. Fresh arrivals of maize from Tamil Nadu and moderate demand of maize kept the maize prices range bound in various spot markets.*



**On the Export front:**

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12600	12950	-
Mumbai	13300	-	-
Kakinada	-	12900	-

Indian CIF Maize prices (~\$313.00) have surged due to increase in domestic prices of maize. Indian maize exporters are not getting maize export parity as Brazil CIF (~292.9) and Argentina CIF (~312.4) have kept the Indian maize out of the market. Drought situation in Argentina damage corn crop which is likely to help the FOB prices in the coming week which might give chance to Indian maize exporters.

Indian CNF Rate to Thailand vs. other Countries				
	Argentina	Brazil	US	India
FOB	262.4	237.9	262.2	278
Freight for Thailand	50	55	60	35
Cost and Freight	312.4	292.9	322.20	313

Maize prices got resistance at higher levels. No exporter is ready to buy maize above Rs 12600 per MT FOR Chennai. Rake loadings from Karnataka are going on for old deals.

No business has been reported with Vietnam.

Indonesia Market: Deals have been made at USD 274 CFR Indonesian ports in containers. Indian exporters unable to compete due to domestic high prices.

Malaysian Market: Buying is slow but prices were quoted at around USD 249-250 CFR.

Indian maize exports will remain slow in the coming week until any increase in International maize prices.

**Current Market Dynamics:**

Mixed trend in maize prices has been witnessed in various key spot markets of maize during the week ended 17<sup>th</sup> January 2012. Lesser arrivals and moderate demand of maize support the corn prices in Davengere market last week.

However, Prices remained unchanged in Nizamabad market due to festival and strike which hit the market this week. Meanwhile, maize prices in Delhi have surged due to lower arrivals.

Meanwhile, demand from Poultry and Starch Industries for maize is moderate as reported.

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

- More than 100 rakes of maize have been moved out from Karnataka market in this season till date. Out of the 100 rakes, 20 rakes of maize has been transported in this season till date from Haveri (Karnataka) region and 23 rakes from Davangere. Also, 30 rakes have been moved from Ranabennuru center (Karnataka) this season till date. Ranabennuru is 37 km from Davengere market and becoming a major sourcing center of maize. It is also reported that around 52 rakes of maize have been moved from Koppal to various consumption centers and ports till date in this season.

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

Buyer	Purchase Prices (Rs/MT)
VHL Bangalore	12700
Godrej Chitradurga	12300
CP Bangalore	12800
VHL Udumulpet	12900
CP Vellore	12900

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

**Crop Progress and Market Arrivals:**

- **Maize growers in UP have planted maize in 37268 hectares till 14<sup>th</sup> Jan 2012** which is 31% less sowing compared to last year. Last year growers has sown maize in 53869 hectares during the same period.
- **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 12<sup>th</sup> 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.

**Maize Spot Market Prices (Rs. /Quintal)**

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		17 <sup>th</sup> Jan, 2012				
Delhi	Hybrid	1325	1320	1140	1080	1075
Koppal	Bilty	1200	1230	1085	1060	1025
Davangere	Bilty	1200	1180	1120	1085	1000
Nizamabad	Bilty	1180	1180	1100	1030	1060
Ahmadabad	Feed	1310	1325	1170	1100	1075
	Starch	1350	1350	1225	1140	1075

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


- Market is steady during the week ended 17<sup>th</sup> January 2012 due to Makar Sakranti festival and strike.
- Keeping in view prevailing fundamentals, prices are likely to remain weak in the coming week.
- Prices might test 38.2% retracement level in the coming week.
- Prices are likely to trade between Rs 1075 to Rs 1130 in the coming week.

### International Market: Highlights/Current Developments:

International maize prices have tumbled down sharply during the week ended 17<sup>th</sup> January 2012. Meanwhile, WASDE estimates an increase in the maize production by 48 million bushels to 12538 million bushels which means an overall maize supply of 13501 million bushels against the earlier 13453 million bushels. However, maize ending stocks forecast has been decreased marginally by 2 million bushels to 846 million bushels from 848 million bushels.

After getting the cues from WASDE report, maize international as well as domestic markets tumbled.

Meanwhile, Argentina 2011/12 maize production is expected to be lower by 3.0 million tonnes as extended dryness in late November is likely to have a negative impact on the yield. It is noticeable that recent rains in drought affected areas in Argentina has given some respite to the standing crop and helped weigh on to the maize prices. Overall, the drought conditions in Argentina and Brazil are likely to decrease the yield forcing trading houses to revise estimates down, which also supported the maize prices in CBOT last week.

### **Outlook:**

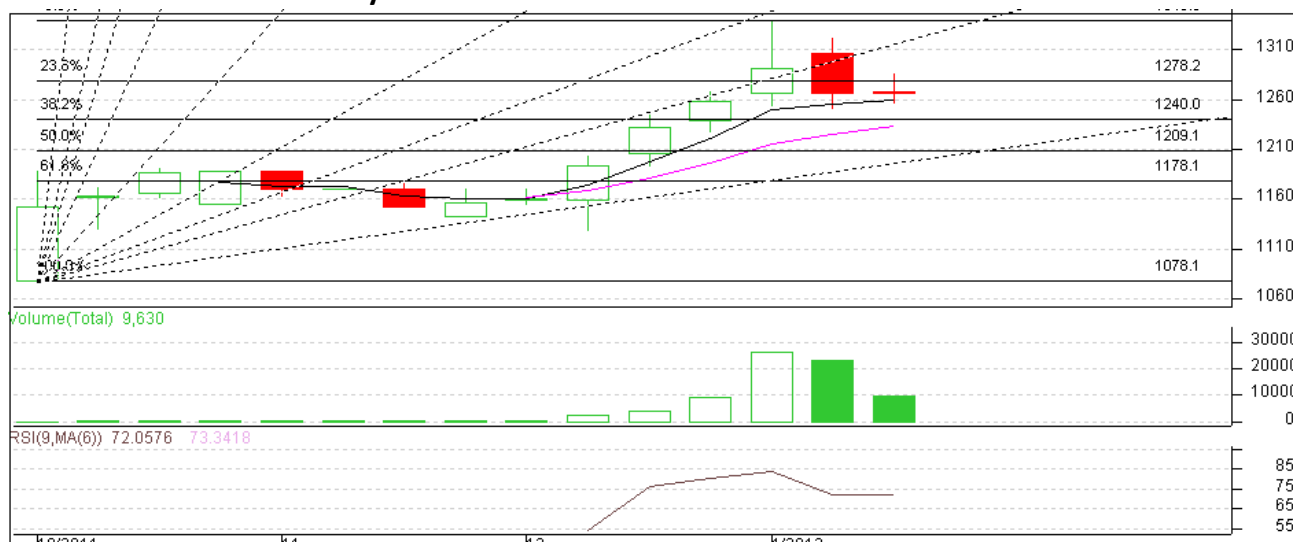
***Recent WASDE report kept the maize prices under pressure. Also recent rains in Argentina gave some respite to the crop but is unlikely to have made up for the earlier setbacks. Keeping in view the moderate demand of maize and crop damage in Argentina, maize international prices are likely to remain range bound with firmness in the prices in the coming week.***

### **CBOT Maize Futures Outlook:**

#### **CBOT Maize Chart: Front Month**



- Maize prices are moving downwards and moving in a trading range as chart depicts.
- Maize prices are trying to rebound from trend line support line.
- Maize prices are likely to trade in a range between 582 to 660 in the coming week.
- Increase in prices with volume and open interest support indicates long buildup occurs in the maize CBOT market.
- **Strategy: Buy 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 1257 to 1317, breach of mentioned level either side will decide the movement of the prices further.
- Maize prices might test 38.2% retracement level from where buying might occur in the coming week.
- RSI is hovering in overbought region which indicates that profit booking might occur from present level.
- **Strategy: Buy from support level.**

**Maize NCDEX (February)**

Support & Resistance				
S2	S1	PCP	R1	R2
1250	1257	1266.50	1317	1340

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