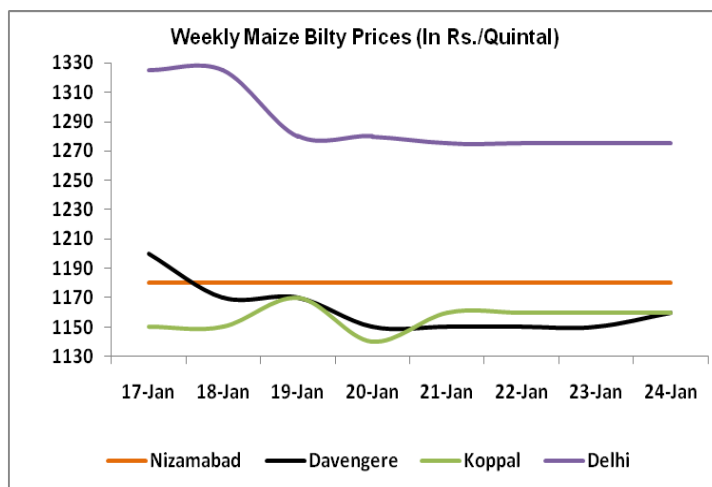


Domestic Market Recap

Steady to weak sentiments prevailed in various key maize markets during last week. Weak exports demand and higher maize prices compared to wheat shift the demand of maize towards wheat are the influencing factors for decline in prices of maize.



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 (~\$323.00) have surged despite of decrease in maize prices as appreciation in Rupee decrease the export parity. Indian maize exporters are not getting maize export parity as Brazil CIF (~299.1) and Argentina CIF (~306.5) have kept the Indian maize out of the market. However, continuously increasing International maize prices and weak sentiments will give Indian exporters an opportunity to export maize.

Indian CNF Rate to Thailand vs. other Countries (1\$= Rs. 50.03)				
	Argentina	Brazil	US	India
FOB	256.5	244.1	277.8	288
Freight for Thailand	50	55	60	35
Cost and Freight	306.5	299.1	337.8	323.

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:

Weak demand of maize has been witnessed during the week ended 24th January 2012 which kept the prices downwards of maize.

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 which 30 rakes of maize has been transported in this season till date from Haveri (Karnataka) region and 38 rakes from Davangere. Also, 42 rakes have been moved from Ranebennuru center (Karnataka) this season till date. Ranebennuru is 37 km from Davangere 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 14th 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 1.19 lac hectares** of maize in their respective fields for Rabi season 2011-12 till 24th January which is 5.3% higher compared to crop sown during the same period last season. Last year, growers have planted maize in 1.13 lac hectares same period.
- **Around 3.51 lac hectares of maize has been planted by maize growers** in Bihar for Rabi season up to 24th January 2012 that is 6.4% 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 2.89 lac hectares in AP till 11/01/2012 which is 5.3% higher compared to previous year same period.

Maize Rabi Sowing Progress (In Hectares)

	2010	2011	% Change	Targeted Area	% Coverage of Area till date
Bihar	330000	351000	6.4%	350000	100.3
UP	53869	33372	-38.0%	50000	66.7
Maharashtra	113000	119000	5.3%	120000	99.2
AP	245000	289000	18.0%	279000	103.6

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		24 th Jan, 2012				
Delhi	Hybrid	1275	1325	1200	1100	1025
Koppal	Bilty	1160	1150	1140	1075	1060
Davangere	Bilty	1160	1200	1150	1100	1035
Nizamabad	Bilty	1180	1180	1125	1050	1090
Ahmadabad	Feed	1300	1310	1280	1110	1130
	Starch	1325	1350	1300	1170	1100

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



- Market is steady during the week ended 24th January 2012.
- 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:

On international front, farmers in Argentina might face fresh heat waves after two months of dry weather which might worsen the crop conditions of maize. It is noticeable that abundant rains due to weather pattern known as La Nina has been witnessed in various key regions of maize in Argentina which damage the crop and urge various trade houses to downgrade maize production estimate of Argentina from 30 million tonnes to 20-22 million tonnes. This factor urge the prices to move up during this 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 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 has not supported by volume and open interest which indicates that market is weak.
- Strategy: **Buy from support level.**

Futures Market Analysis: NCDEX Maize :


(February Contract Weekly Chart)

- Maize prices are moving range bound with weak tone as chart depicts.
- Prices are moving in a range between Rs 1240 to 1317, breach of mentioned level either side will decide the movement of the prices further.
- Maize prices are continuously testing 50% retracement level from where buying might occur in the coming week.
- Decrease in prices has not supported by volume.
- 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
1217	1240	1254.50	1265	1340

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