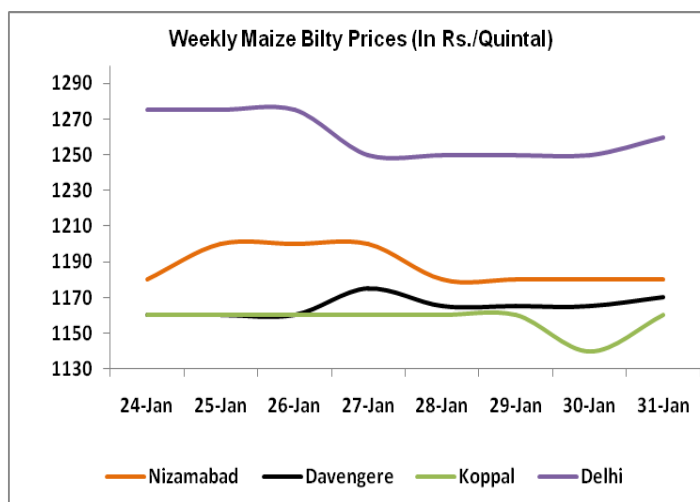


Domestic Market Recap

Steady to weak sentiments prevailed in various key maize markets during last week. Weak exports demand due to appreciation in Rupee and higher maize prices compared to wheat, shift the demand of maize towards wheat are the influencing factors for decline in prices of maize. Also, arrivals of maize crop from TN also weigh on to the prevailing prices.



On the Export front:

Indian CIF Maize prices (~\$322.76) 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 (~323.96) and Argentina CIF (~316.4) are given stiff competition to Indian Maize. 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. 49.45)				
	Argentina	Brazil	US	India
FOB	266.4	268.96	279.4	288
Freight for Thailand	50	55	60	35
Cost and Freight	316.4	323.96	339.40	322.76

The exporters are buying maize ranging between Rs 1260-1300 per quintal FOR Chennai. Meanwhile, exporters are paying according to its need of maize stock for export at present.

Some of the exporters quoting their prices are:

	Chennai	Tuticorin
Adani	12750	12450
Glencore	13000	
Louis Dreyfus	12850	

Indonesia Market: No fresh business reported.

Malaysian Markets - The chinese new Year is open but the buyers are not vigorous .Sellers offering indications of USD 280 CFR West Malaysian ports and 285 for East Malaysian port

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 31th January 2012 which kept the prices downwards of maize.

However, Prices remained unchanged in Nizamabad market due to lesser arrivals and lackluster trade

As far as Davengere market is concerned, prices have got some support during the week due to lesser arrivals and moderate demand of maize. Daily Arrivals has decreased to 2800 bags on an average this week compared to 3000 bags average daily arrivals of maize last week.

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 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.

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12600	13300	268
Mumbai	13300	-	-
Tuticorin	12450	13500	
Kakinada	-	13000	-

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
SKM, Erode	12500
Sugana Theni Godown	12400
CP Vellore	12900

Prices might take some cues from increasing international maize prices. However, recent appreciations in Rupee discourage the exporters apparently. We expect prices are likely to trade range bound with firm sentiments in the coming week.

Crop Progress and Market Arrivals:

- Overall Maize sowing has been increased by 9.2% to 11.70 lac hectares compared to last year, according to Agmin.
- **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 have 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
		31 th Jan, 2012				
Delhi	Hybrid	1260	1275	1290	1100	1150
Koppal	Bilty	1160	1160	1190	1080	1045
Davangere	Bilty	1170	1160	1150	1100	1020
Nizamabad	Bilty	1180	1180	1125	1050	1100
Ahmadabad	Feed	1265	1300	1300	1125	1100
	Starch	1310	1325	1325	1150	1090

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



- Market is steady during the week ended 31th 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 1180 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 urges the prices to move up during this week.

Outlook:

According to 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 with firm tone as chart depicts.
- 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
- Strategy: **Sell from resistance level.**

Futures Market Analysis: NCDEX Maize :



(February Contract Weekly Continuous Chart)

- Maize prices are moving range bound with weak tone as chart depicts.
- Prices are moving in a range between Rs 1217 to 1317, breach of mentioned level either side will decide the movement of the prices further.
- 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
1200	1217	1233	1257	1275

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