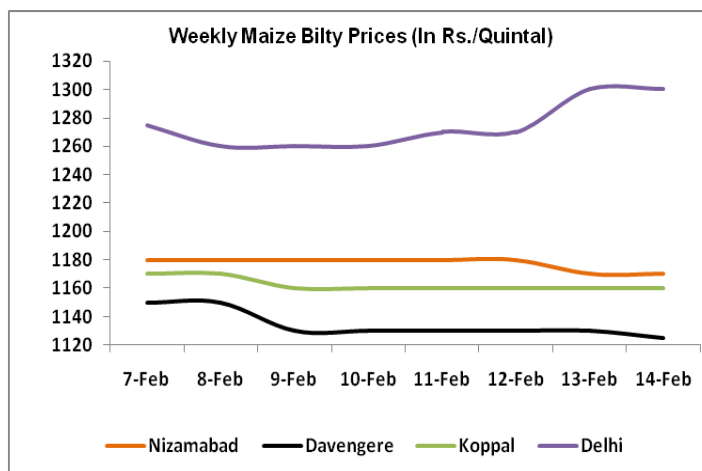


Domestic Market Recap

Maize prices have declined in various spot markets during the week ended 14th February 2012. Lackluster trade and weak export demand pressurized the prices. In addition, increasing dried cargo from TN supports the bearishness. However, demand from local buyers and poultry and starch industries remained good. It is also noticeable that market is expecting fresh crop arrivals of maize from AP within 10-15 days increasing the supply pressure in the markets which should result in decline in prices.



On the Export front:

Indian CIF Maize prices (~\$320.18) have declined due to decline in domestic prices as well as some depreciation in Indian rupee during the week. However, Indian maize exporters are not getting export parity as Brazil CIF (~323.76) and Argentina CIF (~316.73) are given stiff competition to Indian Maize. However, continuously increasing International maize prices and weak sentiments domestically may give Indian exporters an opportunity to export maize.

Indian C&F Rate to Thailand vs. other Countries (1\$= Rs. 49.19)				
	Argentina	Brazil	US	India
FOB	266.73	268.76	283.20	288
Cost and Freight (C&F)	316.73	323.76	343.20	320.18

The exporters are buying maize ranging between Rs 1180-1260 per quintal FOR Chennai only in quantities required for export at present.

Some of the exporters quoting their prices are:

	Chennai	Tuticorin
Olam	12600	NA
Glencore	NA	NA
Louis Dreyfus	NA	NA

Indonesia Market: No fresh business reported.

Malaysian Markets – Indian cargoes are quoted at CFR USD 270 PMT at Port Klang/Penang in Malaysian markets.

Vietnam Markets – Business have been reported for Vietnam's Ho Chi Min city at CFR USD 298 PMT. However, maize Indian exporters are facing lot of problems in terms of rejection of cargoes from Vietnamese Authorities. It is reported that Suraj Impex's 2 vessels were rejected by Vietnamese authorities due to quality related problems in maize stocks.

Indian maize exports will remain slow in the coming week until any increase in International maize prices. However, Export demand for Indian maize is expected once again in mid March as prices in the international market is likely to go up then.

Current Market Dynamics:

Weak demand of maize has been witnessed during the week ended 14th February 2012 which kept the prices downwards.

Prices have declined in Nizamabad market due to lesser arrivals and lackluster trade. In addition to it, expected fresh arrivals of maize crop might decrease the prices further in Nizamabad market.

As far as Davengere market is concerned, prices also declined due to low trading activities and weak demand.

Meanwhile, demand from Poultry and Starch Industries for maize was good as reported.

Rake Business from Various Sourcing Centers During the Season Till Date:

Sourcing Centers	7th Feb	14th Feb
Davengere	34	40
Koppal	36	40
Ranebennur	30	50
Haveri	45	45
Shimoga	2	5

* Figures in Rakes.

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12300-12400 from TN and 12600-12700 from Karnataka	12400	270
Mumbai	12500-12600	-	-
Tuticorin	12300	-	
Kakinada	-	12300	-

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

Buyer	Purchase Prices (Rs/MT)
VHL Bangalore	12200
Godrej Chitradurga	12200
SKM, Erode	11800-12000
Sugana Theni Godown	12400

Maize prices are continuously moving downwards and buyers are not showing buying interest in the falling market as they are expecting further price decline in maize. Therefore only need based buying have been witnessed from Poultry and Starch industries. Also, appreciation of Rupee hit profit margins of maize exporters and kept the exporters out of the export market. Considering expected arrivals of maize stock in 10-15 days from AP, and low export demand, we expect prices of maize will fall in the coming week.

Crop Progress and Market Arrivals:

- Overall Maize sowing has increased by 9.2% to 11.70 lac hectares compared to last year, according to Agmin.
- **Maize growers in UP had 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 had 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)

	2011	2012	% 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	14 th Feb, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1300	1275	1300	1120	1110
Koppal	Bilty	1160	1170	1180	1090	990
Davangere	Bilty	1125	1150	1190	1125	1015
Nizamabad	Bilty	1170	1180	1180	1090	1120
Ahmadabad	Feed	1315	1300	1330	1150	1120
	Starch	1320	1350	1350	1200	1130

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



- Market is steady during the week ended 14th February 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, Global maize markets are moving range bound with firm tone. Higher export projection and low ending stocks globally for maize by USDA supported the maize prices. It is noticeable that global corn stocks are lowest since 2006/07. Also, increasing Chinese demand will also support the prices of maize in the coming week.

Outlook:

Rains in Argentina gave some respite to the crop but is unlikely to have made up for the earlier setbacks. Keeping in view the increasing corn demand of maize from China, Malaysia and Vietnam and crop damage in Argentina, maize international prices are likely to remain range bound with firmness in the prices in the coming week.

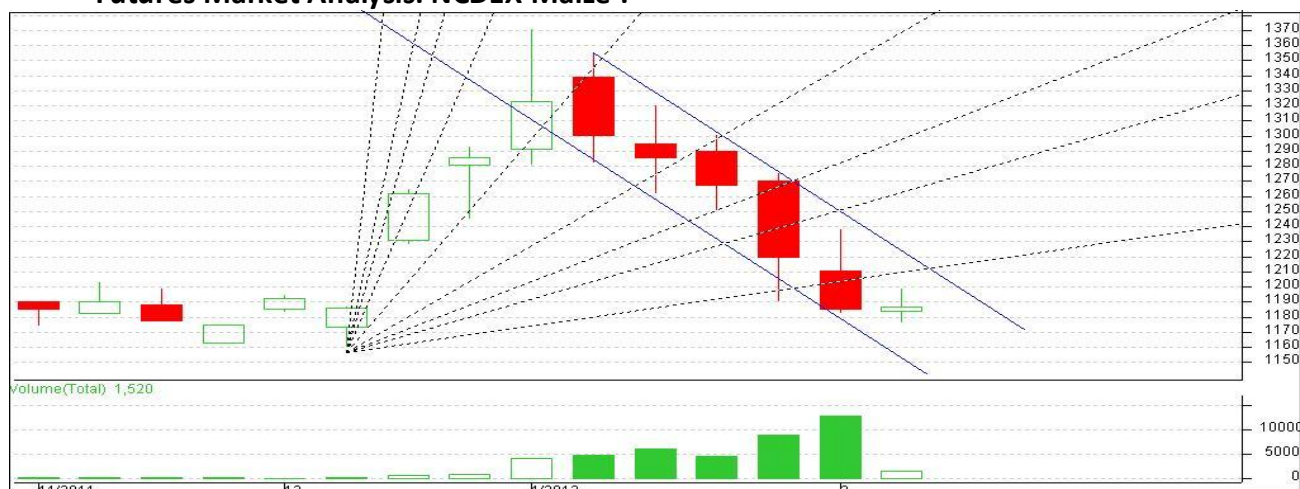
CBOT Maize Futures Outlook:

CBOT Maize Chart: Front Month



- Maize prices are moving in a trading range as the chart depicts.
- Maize prices are likely to trade in a range between 600 to 680 cents/bushel in the coming week.
- Increase in prices has been supported by volume and open interest
- Prices might test strong support level i.e. 625 cents/bushel, if breached then prices may go down to 590 cents/bushel.
- However, Prices hovering above 14 day SMA indicates that prices are bullish.
- Strategy: **Markets participants should buy from 625-630 cents/bushel and hold their long positions until prices will test 655-660 cents/bushel.**

Futures Market Analysis: NCDEX Maize :



(March Contract Weekly Chart)

- Maize prices are moving downwards as the chart depicts.
- Prices are moving in a range between Rs 1175 to 1207, breach of mentioned level either side will decide the movement of the prices further.
- However, buying might occur from lower level which has been supported by last candle stick pattern i.e. doji star which indicates that sellers are losing their strength.
- Prices are hovering below Gann Fann line, two consecutive close below the mentioned level will drag the prices of maize prices downwards further.
- **Strategy:** Buy from support level.

Maize NCDEX (March)

Support & Resistance				
S2	S1	PCP	R1	R2
1157	1175	1186	1238	1264

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