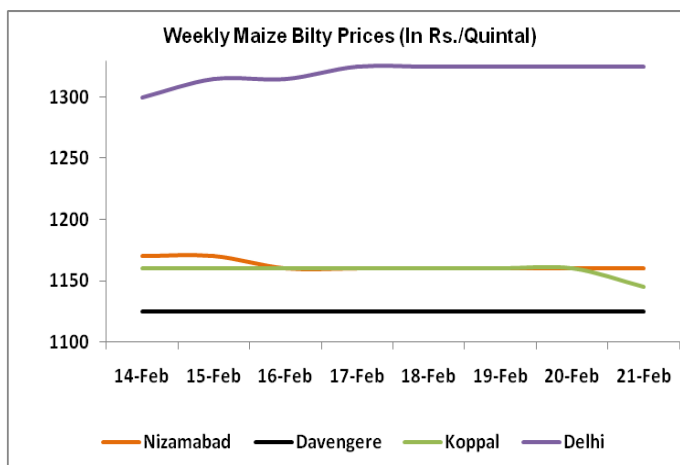


### Domestic Market Recap

Steady to weak sentiments recorded in various maize spot markets. Improved arrivals from AP and sluggish demand of maize from domestic as well as export buyers weighed on the prices in Nizamabad and Koppal markets. However, improved demand and lesser arrivals in Delhi market supported the prices to some extent.



### On the Export front:

Indian CIF Maize prices (~\$322.10) have declined due to decline in domestic prices. However, Indian maize exporters are not getting export parity as Brazil CIF (~304.4) and Argentina CIF (~318) are given stiff competition to Indian Maize. In addition to it, range bound movement with weak tone of maize international prices are not favoring the export prospects of maize at present.

Indian C&F Rate to Thailand vs. other Countries (1\$= Rs. 49.21)				
	Argentina	Brazil	US	India
FOB	268	249.4	277.8	287
Cost and Freight (C&F)	318	304.4	337.80	322.10

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 21<sup>th</sup> February 2012 which kept the prices downwards.

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

As far as Davengere market is concerned, prices got support due to improved demand of maize at lower levels. It is noticeable that around 5% increase in maize summer crop has been witnessed compared to last year in Karnataka.

Meanwhile, till date around 20% maize of the new crop from AP has arrived in the markets and arrival will increase in the coming month and should might depress the prices of maize further.

As far as Koppal market is concerned, improved arrivals of maize from upcountry sellers like AP and TN kept the prices downwards. Maize is arriving in Koppal market with below 13% moisture content which should be good for exports.

However, the lower maize stock and moderate demand of maize in Delhi market supported the prices a little bit. However, prices might stabilize after arrivals of Rabi maize crop from Bihar which is expected soon. 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	21 <sup>st</sup> Feb
Davengere	34	40	41
Koppal	36	40	45
Ranebennur	30	50	52
Haveri	45	45	46
Shimoga	2	5	5

\* Figures in Rakes.

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12500 from TN and 12600 from Karnataka	11600	270
Mumbai	12500-12600	-	-
Tuticorin	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

**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 has 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 14<sup>th</sup> Jan 2012** which is 31% less sowing compared to last year. Last year growers had 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 24<sup>th</sup> 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
<b>Bihar</b>	330000	351000	6.4%	350000	100.3
<b>UP</b>	53869	33372	-38.0%	50000	66.7
<b>Maharashtra</b>	113000	119000	5.3%	120000	99.2
<b>AP</b>	245000	289000	18.0%	279000	103.6

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

Market	Grade	21st Feb, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
<b>Delhi</b>	Hybrid	1325	1300	1275	1200	1120
<b>Koppal</b>	Bilty	1145	1160	1160	1140	1085
<b>Davangere</b>	Bilty	1125	1125	1150	1130	1060
<b>Nizamabad</b>	Bilty	1160	1170	1180	1110	1120
<b>Ahmadabad</b>	Feed	1320	1315	1315	1240	1120
	Starch	1360	1320	1345	1250	1120

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



- Market is steady during the week ended 21<sup>th</sup> 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 the International Front: Maize prices are moving downwards as farmers in US are expected to plant more maize given the improved demand of maize and better returns. Also, market has already discounted the lower maize crop in South America. Overall, higher maize crop will keep the maize prices bearish in the short term until any Chinese demand of maize hit the market.

### **Outlook:**

***Keeping in view the moderate maize demand of maize from China, Malaysia and Vietnam and good planting prospects of maize from US, maize international prices are likely to remain range bound in the prices in the coming week.***

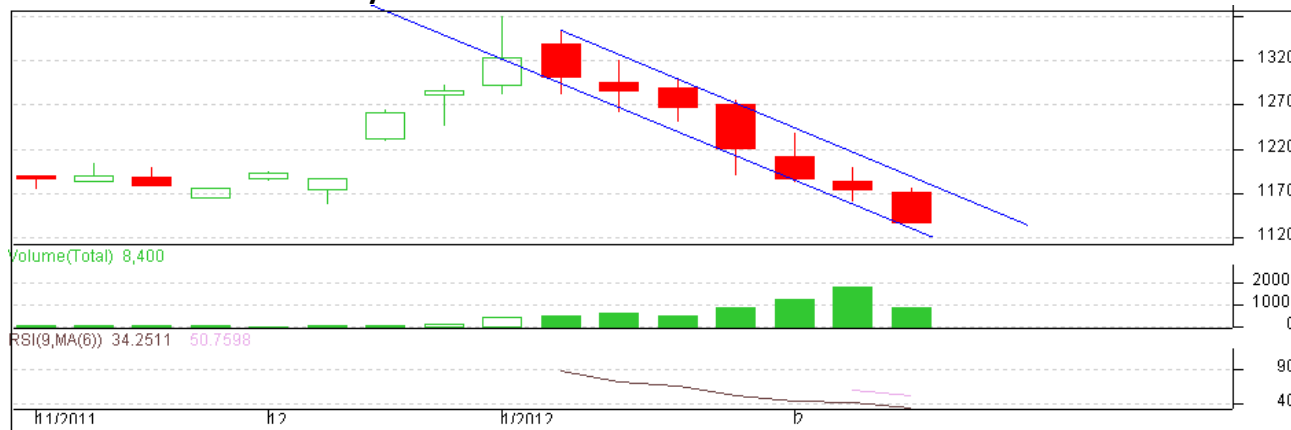
### CBOT Maize Futures Outlook:

#### CBOT Maize Chart: Front Month



- Maize prices are moving in the 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 also.
- 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 1120 to 1207, breach of the mentioned levels either side will decide the movement of the prices further.
- **Strategy:** Sell from resistance level.

**Maize NCDEX (March)**

Support & Resistance				
S2	S1	PCP	R1	R2
1110	1120	1150	1150	1207

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