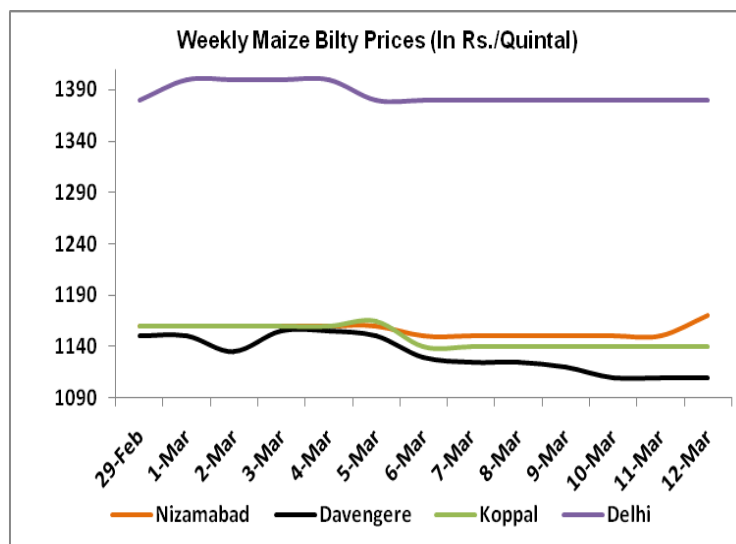


### Domestic Market Recap

Maize prices are continuously moving downwards owing to increasing arrivals of maize from AP. However, wet cargo and high degree of moisture remained a concern. Meanwhile, arrivals of TN came down drastically at the mandi and only local traders are supplying cargoes to either exporters or local poultry industries.



### **On the Export front:**

Indian CIF Maize prices (~\$314.00) declined during last week. However, Indian maize exporters are not getting export parity as Brazil CIF (~303.35) and Argentina CIF (~314.76) have given stiff competition to Indian Maize. In addition to it, range bound movement of maize international prices are not favoring the export prospects of maize at present. However any increase in International maize prices might give exporters an opportunity.

Also, Government announced a steep hike in Railway Freight by 25% from 7<sup>th</sup> March 2012 which increased the cost of transportation and discouraged buyers.

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 49.99)				
	Argentina	Brazil	US	India
<b>FOB</b>	264.76	248.35	279.3	279
<b>Cost and Freight (C&amp;F)</b>	314.76	303.35	339.3	314

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

Vietnam Markets – Reportedly, business done at CFR USD 298. Exports prospects from India to Vietnam are weakening owing to pest control measures which increase the cost. In addition to it, appreciation in Rupee also hinders the exports of maize from India. PQ authorities are ensuring that shipment related to Vietnam is fumigated for 3 days before it is loaded which increases the expenses by USD 10 PMT, according to exporters. It is noticeable that earlier exporters used to load the corn directly in containers and put fumigation tablets in the containers.

Indonesia Markets- Indonesia has recorded a very good local maize crop which is available at a level of USD 275 CFR which restrict the Indian exporters from entering in Indonesian markets as the costing for Indonesia doesnot work below USD 286 CFR.

**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 April as prices in the international market is likely to go up then.

#### **Current Market Dynamics:**

Dull demand of maize has been witnessed from domestic as well as exporters from various key markets which led the prices down during the week. Buyers are not showing any interest in buying maize in the falling market. Also, fresh arrivals could be seen in the coming days from Bihar which is a major contributor of maize in Rabi. However, volumes are not high currently.

Prices have improved by Rs 10 in Nizamabad mandi during this fortnight due to holi festival which resulted in inflow of lower maize arrivals.

As far as Davengere market is concerned, prices are moving downwards as arrivals are expected to pick pace by Mid - March. It is noticeable that around 5% increase in maize summer crop has been witnessed compared to last year in Karnataka.

Meanwhile, till date around 25% maize from the new crop from AP has arrived in the markets and arrivals will increase further in the coming month which might depress the prices of maize.

Meanwhile, rake business has been reported from Haveri district to Yamunanagar at FOR 1350 in this fortnight.

As far as Koppal market is concerned, lackluster trade and lower arrivals of maize kept the maize prices range bound with weak tone. Meanwhile, recent hike of around 25% in wagon bilty freight discouraged buyers. As far as rake business is concerned, no business has been reported in this week from Koppal. Demand from Poultry and Starch industries is also dull as reported. It is reported that stockists and farmers are holding maize in anticipation of increase in maize prices after April.

As far as crop progress is concerned, maize has been planted in around 3.65 lac hectares in Bihar which is the major contributor of maize production in Rabi season. This year Rabi maize planting is 7.4% higher compared to last year. Meanwhile, harvesting of the crop has been started in Bihar and around 20% of the crop has already been harvested.

In Delhi market, expected arrivals from Bihar depressed the prices of maize.

#### **Business from Various Sourcing Centers During the Season Till Date:**

Sourcing Centers	7th Feb	14th Feb	21 <sup>ST</sup> Feb	28 <sup>th</sup> Feb	12 <sup>th</sup> Mar
Davengere	34	40	41	41	41
Koppal	36	40	45	-	-
Ranebennur	30	50	52	52	52
Haveri	45	45	46	46	46
Shimoga	2	5	5	5	5

\* Figures in Rakes.

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12400 from TN and 12600 from Karnataka	11600 and 12440 from Koppal and 11950 from	270

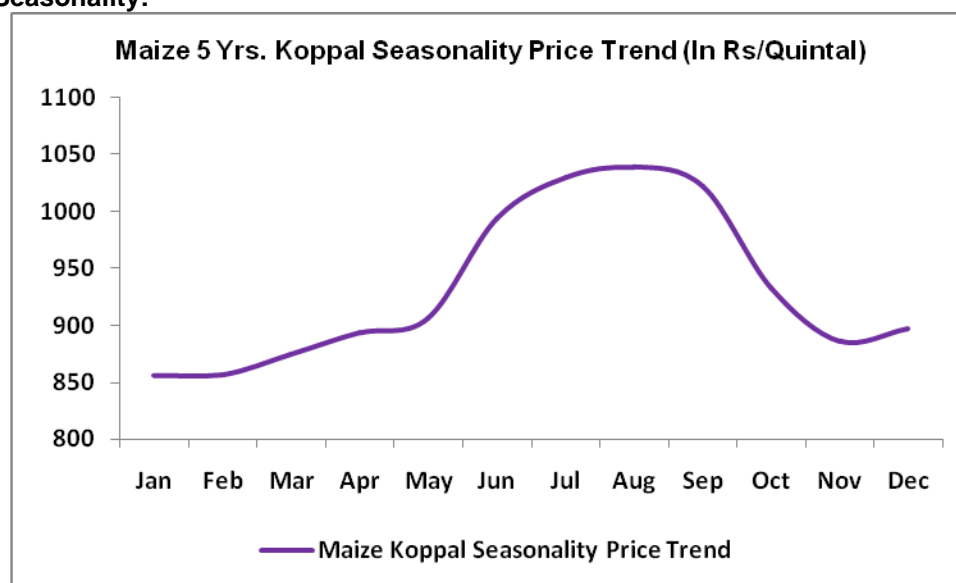
		Davengere	
<b>Mumbai</b>	12500	-	-
<b>Kakinada</b>	12000		
<b>Tuticorin</b>	12400	-	

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

Buyer	Purchase Prices (Rs/MT)
VHL Bangalore	12000
Godrej Chitradurga	11900
SKM, Erode	11800

**Maize prices are continuously declining as fresh arrivals and lackluster trade pressurized the prices. Also, recent increase in freight charges affected the rake business of maize adversely. The recent appreciation of rupee is also not supportive for maize. Considering above facts and increasing arrivals of maize from Bihar will increase the supply of maize in the open market which should result in further decline in maize prices in the coming week.**

### Maize Crop Seasonality:



According to seasonality of maize, prices are likely to remain range bound with firm bias which is supported by prevailing fundamentals of maize. However, prices might surge after April.

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

Market	Grade	12 <sup>th</sup> March, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1380	1380	1300	1300	1225
Koppal	Bilty	1140	1140	1160	1180	1190
Davangere	Bilty	1110	1130	1130	1190	1150
Nizamabad	Bilty	1170	1150	1170	1180	1140
Ahmadabad	Feed	1300	1280	1320	1330	1200
	Starch	1315	1315	1350	1350	1200

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



- Market is steady to weak during the week ended 12<sup>th</sup> March 2012.
- Keeping in view prevailing fundamentals, prices are likely to remain steady to weak in the coming week.
- Prices might test 38.2% retracement level in the coming week.
- However, prices might take support from its immediate trendline as chart depicts
- Prices are likely to trade between Rs 1150 to Rs 1180 in the coming week.

### International Market: Highlights/Current Developments:

International maize prices are moving in a range with firm tone keeping in view tight maize US supplies and increasing demand of maize from China.

Meanwhile, Recent WASDE report kept the supply and demand situation of maize unchanged.

Brazil has exported around 279,200 tons of Corn in Feb 2012 which is approx 50% less compared to last years corn export by Brazil at same period.

Also, it is reported that China bought 110,000 tons of US corn last week. It is noticeable that China has already purchased 2.6 million tons of US corn since Sept 2011 compared to 313,000 tons of corn purchase by China last year same period.

### **Outlook:**

*Prices are likely to remain range bound with firm tone owing to expected demand from China and tight Corn supply from US also support the prices of maize in the coming week.*

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

**CBOT Maize Chart: Front Month**



- Maize prices are moving in a rectangle as the chart depicts.
- Maize prices are trading in a short range between 635 to 675 cents/bushel.
- However, Prices hovering above 14 day SMA indicates that prices are bullish.
- Also, last candlestick formation suggests that prices are likely to move up in the coming week.
- Strategy: **Markets participants should buy from 655 cents/bushel.**

### Futures Market Analysis: NCDEX Maize :



(April Contract Weekly Chart)

- Maize prices are falling in the mentioned trading channel.
- Maize prices are expected to move in a range between Rs 1090 to Rs. 1158.
- RSI is hovering near to oversold region.
- Decrease in prices has been supported by volume and OI
- **Strategy:** Sell from resistance level.

### Maize NCDEX (April)

Support & Resistance				
S2	S1	PCP	R1	R2
1090	1120	1146	1200	1235

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.