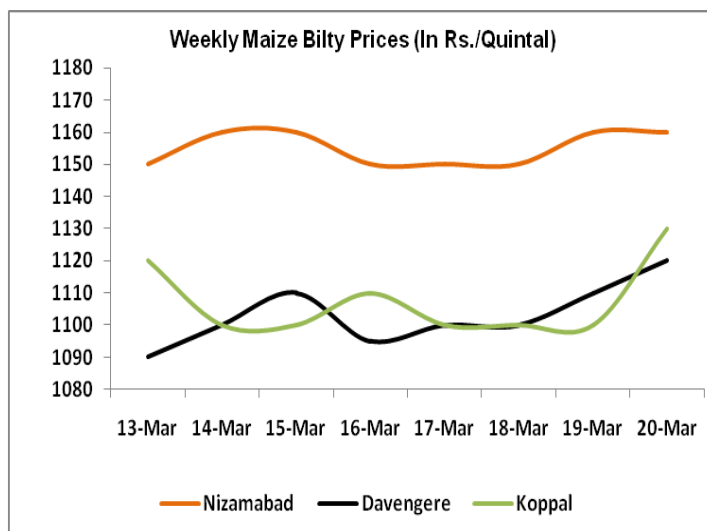


### Domestic Market Recap

Maize prices improved during the last week in key spot markets. Moderate demand from domestic buyers like Poultry and Starch Industries and lesser arrivals gave prices the support. In addition to it, Markets are waiting for new crop arrivals and lower arrivals of maize stock and bullish international maize scenario are supporting the prices. Maize prices have stabilized as recent rains in AP delayed the harvesting process of maize which also offset the bearish impact of maize in the short term. In TN most of the crop is being used by poultry farms in TN itself. So the market's major attention is now towards Karnataka market.



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

Indian CIF Maize prices (~\$311.00) declined by \$3 during last week owing to rupee depreciation. However, Indian maize exporters are not getting export parity as Brazil CIF (~\$299.11) and Argentina CIF (~\$319.09) have given stiff competition to Indian Maize. However, increasing international maize prices is expected to give some boost to the Indian maize exports in the coming days.

However, Government decision to hike the Railway Freight by 25% from 7<sup>th</sup> March 2012 has increased the cost of transportation and affected maize exports parity adversely.

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 49.99)				
	Argentina	Brazil	US	India
<b>FOB</b>	269.09	244.11	282.5	276
<b>Cost and Freight (C&amp;F)</b>	319.09	299.11	342.5	311

Malaysian Markets – Indian exporters have sold at USD 262-264 PMT CFR Malaysia for March - April shipments. Some shipments have been reported at USD 268 PMT CFR Malaysian Ports.

Vietnam Markets – Business reported at USD 285 - 288 PMT CFR Ho Chi Minh City.

Indonesia Markets- Indonesia has recorded a very good local maize crop which is available at a level of USD 275 CFR so Indian exporters cannot enter in Indonesian markets as the costing for Indonesia does not work below USD 286 CFR..

**Indian maize exports will be feasible if there are more increases in International maize prices due to Chinese import demand. There are rumors in the market that China is likely to increase import of maize as imports are viable at present price levels. It is noticeable that prices of maize in China are moving rapidly and quoted at \$338.55.**

**Current Market Dynamics:**

Maize prices are moving up during the week due to weaker arrivals and moderate demand from local as well as export markets. Rake business was also witnessed during the last week. Meanwhile, demand from poultry and starch industries has led the maize prices upwards in key spot markets.

Maize prices have improved in Nizamabad market owing to lesser arrivals due to two consecutive market closes due to labor strike. However, the expected increase in arrivals in the coming days would pressurize the prices of maize. It is noticeable that Maize has been planted in around 3.345 lac hectares in AP in this Rabi season.

As far as Davengere market is concerned, prices moved up due to lower arrivals. Meanwhile, till date around 25% maize from the new crop from Karnataka has been harvested. Meanwhile, 1 rake was loading yesterday from Davengere to Kakinada at Rs 1120 FOR, bought by Louis Dreyfus as reported.

Prices in Koppal have improved during the week ended as demand has been witnessed at lower levels from domestic as well as export buyers. Also, 1 rake business has been reported recently from Koppal to Chennai at FOR 1145 bought by Louis Dreyfus as reported. Many players have shorted their position in anticipation of AP crop arrivals in the coming week.

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 started in Bihar and around 20% of the crop has already been harvested.

In Delhi market, prices remained steady during the week. However, expected arrivals from Bihar in couple of weeks will depress the prices of maize.

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

Sourcing Centers	12 <sup>th</sup> Mar	20 <sup>th</sup> Mar
Davengere	41	55
Koppal (Including Neighboring Centers)	-	75
Ranebennur	52	60
Haveri	46	46
Shimoga	5	15

\* Figures in Rakes.

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai		11450 from Koppal	
Mumbai		-	-
Kakinada		11200 from Davengere	276 from Davengere
Tuticorin		-	

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

Buyer	Purchase Prices (Rs/MT)
VHL Bangalore	11400-11600
Sugana	11400-11600
Komarla	11400-11600
CP Bangalore	11800
CP Vellore	12000

*Maize prices are expected to move up in the coming week keeping in view lesser arrivals and moderate demand of maize. However, prices are likely to decline after March as expected keeping in view increasing expected new crop arrivals of maize from AP and Bihar.*

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

Market	Grade	20 <sup>th</sup> March, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1380	1380	1325	1280	1250
Koppal	Bilty	1130	1120	1160	1140	1135
Davangere	Bilty	1120	1090	1125	1150	1145
Nizamabad	Bilty	1160	1150	1160	1180	1220
Ahmadabad	Feed	1280	1280	1325	1310	1200
	Starch	1320	1340	1360	1350	1230

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



- Market is steady to weak during the week ended 20<sup>th</sup> March 2012.
- Maize prices are getting support towards the mentioned trend line as chart depicts.
- Prices might test 38.2% retracement level in the coming week.
- 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 weak tone this week as reported. Meanwhile, **Chinese corn prices are at higher levels** which enable them to import corn from international markets. Higher corn prices in China and lower freight rates from India to China might give an opportunity to Indian exporters to export maize to China. It is noticeable that India maize prices are low enough to compete with US corn.

Meanwhile, Argentina government estimates its corn production at 22 million tons and around 8 million tons of corn stock for domestic consumption. It is noticeable that early planted corn has been affected by December to January drought but later planted seed for corn (generally planted in December in Southern Argentina) looks satisfactory due to regular rains.

#### **Outlook:**

***Prices are likely to trade range bound with firm tone owing to expected demand from China and tight Corn supply from US in the coming week. However, harvesting has started in Argentina which will increase the supply of maize which might offset the impact of bullishness up to some extent.***

### **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 590 to 675 cents/bushel.
- However, Prices are hovering above 14 day SMA, indicating that prices are bullish.
- **Strategy: Markets participants should buy from 655 cents/bushel.**

**Futures Market Analysis: NCDEX Maize :**

**(April Contract Weekly Chart)**

- Maize prices are moving upwards and try to get resistance at Rs 1230 level.
- Maize prices are expected to move in a range between Rs 1190 to Rs. 1230.
- RSI is hovering near to neutral region.
- **Strategy: Sell from resistance level.**

**Maize NCDEX (April)**

Support & Resistance				
S2	S1	PCP	R1	R2
1130	1190	1205	1230	1255

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