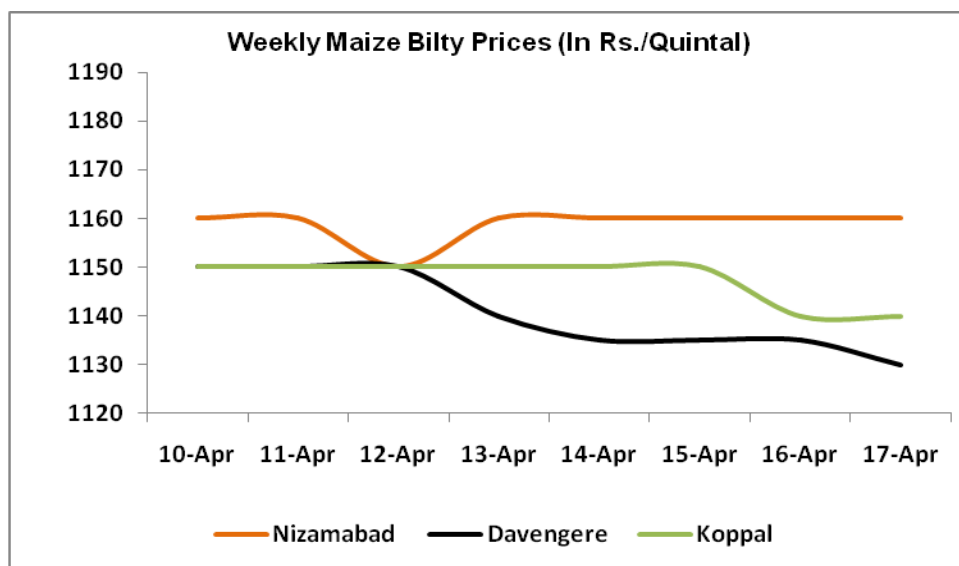


## EXECUTIVE SUMMARY

Maize prices declined in various key spot markets during the week ended 17<sup>th</sup> April 2012. Increasing new crop arrivals from Bihar and weak International maize sentiments due to US crop and poor GDP numbers from China weigh on to the prices. Meanwhile, demand from Poultry and Starch Industries is strong.



## ON THE EXPORT FRONT:

Around 2.25 million tons of exports from India has been completed and it is estimated that there is a potential of 1 million tons more of exports in this season.

Indian CIF Maize prices (~\$307.92) declined by \$7 during the week compared to prior week owing to rupee appreciation and weak sentiments in the domestic markets. Meanwhile, Indian maize exporters are getting parity compared to US Maize exporters and are getting stiff competition to Brazil CIF (~\$287.55) and Argentina CIF (~\$304.82).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 51.59)				
	Argentina	Brazil	US	India
FOB	254.82	232.55	274.5	273
Cost and Freight (C&F)	304.82	287.55	334.50	307.92

However, US Maize exports are quoted at CIF USD 361 as on 17<sup>th</sup> April 2012 which is considerably higher compared to Indian export prices providing an opportunity to Indian exporters at present. However, quality concerns are an issue for exporters. It is noticeable that China's local Maize prices are hovering around USD 340 per ton which is at a higher level giving Indian exporters a chance to export Maize to China. Recently, China imported Maize from Ukraine for the first time as Ukrainian Maize offers better price than US Maize and also it is not genetically modified. It is noticeable that

China imported 1.75 million tons of Maize in 2011 and are expected to import around 3-4 million tons of Maize in 2012. Indian exporters also trying to enter in Chinese market and trying to export Maize from Seemapur as reported.

Some of the exporters quoting their prices are:

	Chennai	Kakinada
<b>Olam</b>		13000
<b>Glencore</b>	12800	-
<b>P T Japfa</b>	12800	-

**Malaysian Markets** – Indian exporters have sold at USD 265-270 PMT CFR Malaysia Port Klang and Port Penang.

**Vietnam Markets** – Vietnam is importing maize at CFR USD 280-290 PMT but the quantities are very low due to recent PQ problems.

**Korea/China:** Business reported at USD 290-300 PMT CFR in 30-50 Kg PP Bags.

**Indonesia Markets-** Two break bulk vessels loaded from Kakinada to Indonesia as reported. Price levels are quoted at around USD 285 PMT CFR Indonesia ports.

### **CURRENT MARKET DYNAMICS:**

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Maize prices moved downwards during the week with increasing crop arrivals from Bihar and the weakness in the international market also weighed on the domestic market sentiments.

**Andhra Pradesh:** Maize prices have moved steady in Nizamabad market despite the improved arrival figures from AP. Cargoes being absorbed by the stockists in AP. It is noticeable that maize has been planted in around 3.345 lac hectares in AP in this Rabi season.

**Karnataka:** Prices have declined in Davangere market compared to the prior week. However, it is noticeable that there is shortage of maize at present in Southern states like Karnataka, AP and TN. There is only 10% holding of maize crop by farmers in Karnataka at present.

Prices in Koppal have also declined during the week due to arrivals having improved marginally. In addition to it, lackluster trade has been reported in Koppal market. However, local traders are holding stock in anticipation of bullishness in maize prices. It is noticeable that around 150000 bags of maize stock are reportedly held by private traders in Koppal market at present.

Meanwhile, a rake has moved from Koppal for Chennai Delivery at 1210 Koppal Wagon Bilty. It is noticeable that maize stock is going to port for export purpose and destination is Malaysia. Glencore is the buyer as reported. Rake Business has also been done from Rajasthan and Cuttack.

**Bihar:** Maize arrivals hit various markets and are expecting that the arrivals will pick up pace within a couple of weeks. Meanwhile, recent rains and hailstorm have not affected the maize crop but will definitely delay the harvesting of maize.

Meanwhile, Rakes are standing in the stations for loading in Naugachia.

**In Delhi market,** Prices in Delhi market started declining owing to starting of new maize crop arrivals from Bihar.

#### **BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:**

<b>Destination</b>	<b>By Road (Rs/MT)</b>	<b>By Rake (Rs/MT)</b>	<b>FOB in USD /Tonne</b>
<b>Chennai</b>	12900-13000	13000	265
<b>Mumbai</b>	13300	-	-
<b>Kakinada</b>	13000		265-268 FAS/FOB
<b>Tuticorin</b>	-	-	

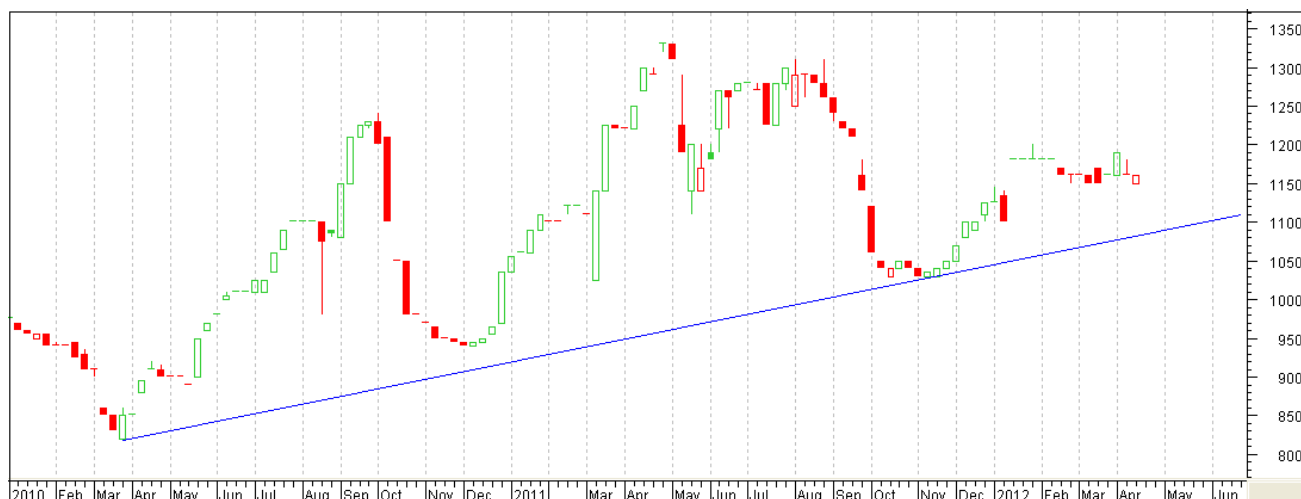
Following are the few active buyers in southern states of country with their purchase prices -

<b>Buyer</b>	<b>Purchase Prices (Rs/MT)</b>
<b>VHL Bangalore</b>	12000
<b>CP, Vellore</b>	13200
<b>Godrej Chitradurga</b>	12000
<b>SKM, Erode</b>	13200

### MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	17 <sup>th</sup> April, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1350	1385	1380	1325	1400
Koppal	Bilty	1140	1150	1100	1160	1250
Davangere	Bilty	1130	1150	1100	1125	1300
Nizamabad	Bilty	1160	1160	1150	1160	1300
Ahmadabad	Feed	1300	1360	1280	1320	1300
	Starch	1350	1390	1330	1360	1300

### SPOT PRICE (BILTY) AT ANDHRA PRADESH (NIZAMABAD): PRICE OUTLOOK



- Market is moving downwards during the week ended 17<sup>h</sup> April 2012.
- Maize prices are getting support towards the mentioned trend line as chart depicts.
- Last candlestick pattern bearish Morubozu depicts downfall in the prices further.
- Prices are likely to trade between Rs 1150 to Rs 1180 in the coming week.

### DOMESTIC MAIZE OUTLOOK:

Maize prices declined sharply in NCDEX futures taking cues from International markets. Also, prices in spot markets are moving steady to weak tone considering starting of maize arrivals from Bihar. Prices are likely to move steady to weak in the coming days.

### INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

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International Maize prices have declined in CBOT during the week ended 17<sup>th</sup> April 2012 owing to increased planting and good progress of maize in US and poor GDP data from China. Meanwhile, recent Maize Progress report by USDA shows that around 17% of the Maize has been planted in 18 states of US till 15<sup>th</sup> April 2012. It is noticeable that around 5% planted was completed for Maize in US at same period last year. Recent Maize planting progress shows satisfactory pace compared to last week. Last week, around 7% Maize was planted as showed in the report.

	Week Ending			2007-11 Average
	4/15/2011	4/8/2012	4/15/2012	
US	5	7	17	5

\* Figures are in Percentage

Weather specialists predict rainfall in US till Saturday which might delay the Maize planting. However, they are predicting dry weather next week. It is noticeable that Maize planting this year is higher compared to the 5 year average.

US exports 3.23 million tons of Maize in Feb 2012 which is down from 3.45 million tons of Maize exports in Jan 2012 and also down from 3.24 million tons in Feb 2011.

Meanwhile, South Korea's feed mill group MFG bought 132000 tons of Maize for July and August delivery from Cargill and Toepfer at \$324.79 and \$305.98 CFR/Ton respectively as reported.

### INTERNATIONAL MAIZE OUTLOOK:

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***Maize prices are moving downwards as Maize planting is picking pace. Prices are likely to move range bound in the coming week with a weak tone given the good maize planting data from US and moderate demand from China for Maize.***

### CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: July Contract)

- Maize prices are moving in a rectangle with a weak tone as the chart depicts.
- Maize prices are trading in a short range between 600 to 660 cents/bushel.
- However, Prices are getting support from trend line as chart depicts.
- Also, decrease in prices has supported by volume.
- Fann line depicts prices should fall further in the coming week.
- Strategy: **Markets participants should sell from resistance level.**

**FUTURES MARKET ANALYSIS: NCDEX MAIZE:**

**(May Contract Weekly Chart)**

- Maize prices are moving in a falling channel as chart depicts.
- Prices are moving in a broad trading range between Rs 1180 to Rs 1280, two consecutive close either side will give the prices a new direction.
- However, decrease in prices has supported by Volume and OI.
- **Strategy:** Sell from resistance level.

**Maize NCDEX (MAY)**

Support & Resistance				
S2	S1	PCP	R1	R2
1165	1170	1189	1214	1245

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