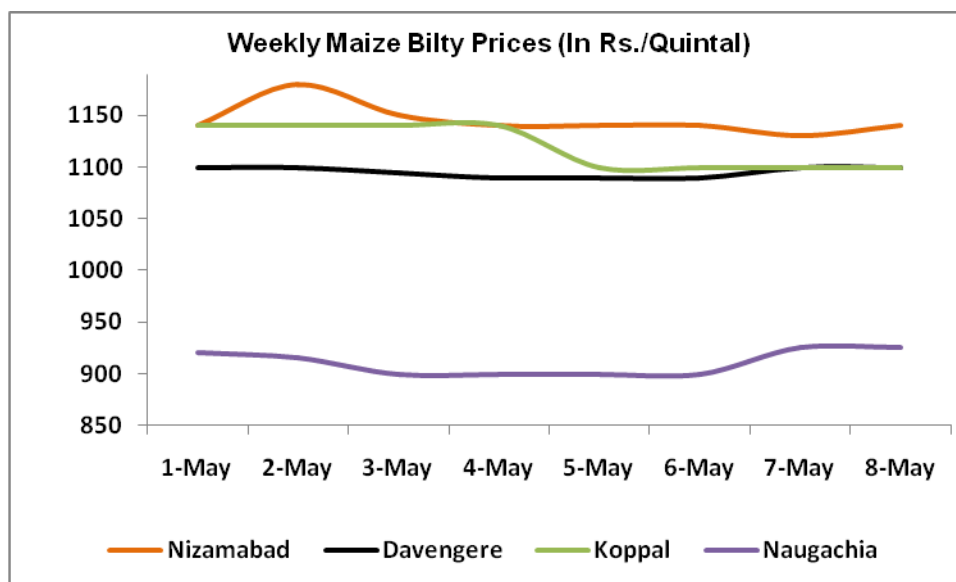


EXECUTIVE SUMMARY

Maize prices declined in various key spot markets during the week ended 8th May 2012. Consistent arrivals of maize in Bihar and AP market and need based buying kept the prices on lower side. Meanwhile, maize acreage are likely to increase keeping in view 20% increase in MSP for 2012-13 season to Rs 1175 from Rs 980 as per the recommendation of CACP.



ON THE EXPORT FRONT:

Indian CIF Maize prices (~\$290.30) declined by \$5 during the week compared to the prior week owing to rupee depreciation and the continuous decline in maize prices in domestic markets. Meanwhile, Indian maize exporters are getting parity compared to US Maize exporters though getting stiff competition to Brazil CIF (~\$299.49) and Argentina CIF (~\$299.61) owing to jump in CBOT Corn prices due to some buying of US corn by China and downgrade of corn production estimates from Argentina.

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 53.73)				
	Argentina	Brazil	US	India
FOB	250	240.3	288.58	255
Incl Cost and Freight (C&F)	300	295.3	348.58	290.30

A maize cargo of 23000 tons is loading at Kakinada port that has expected time of completion of 11th May 2012. The vessel name is Vinalines Ocean.

Some of the exporters quoting their prices are:

	Chennai	Kakinada
Glencore	12550	-

Malaysian Markets – Indian exporters have sold at USD 257-258 PMT CFR Malaysia Port Klang and Port Penang.

Vietnam Markets – Very less trade reported from Vietnam owing to PQ problems faced by Indian Exporters.

China: Business reported at USD 295 PMT CFR Dalian with packing in 50 Kg PP Bags about 2 weeks back. However, prices have come down to USD 285 PMT due to INR depreciation.

CURRENT MARKET DYNAMICS:

Maize prices moved downwards during the week with increasing crop arrivals from Bihar and AP. Here are the various key spot markets dynamics below:

Andhra Pradesh: Maize prices have declined in various markets of AP. Weak demand and moderate arrivals of maize weigh on to the maize prices in AP markets. Farmers are bound to release their stocks in the market as they don't have warehouse facility to store stocks. However, traders are holding maize stocks as reported as they are anticipating increase in maize prices in the coming month.

Karnataka: Prices have declined in Davangere market compared to the previous week. Demand is weak for maize in Karnataka as there is no demand of maize in the export markets at present. Also, no rake business reported of maize for other consuming markets which led the prices of maize down in Karnataka spot markets.

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.

Bihar: Prices declined sharply in Naugachia market for maize during the week owing to sharp increase in arrivals to Rs 1000 per quintal in Patna. Market players are not expecting any further downfall in the prices of maize in Bihar. It is notable that prices of maize are trading below MSP in key sourcing markets of Bihar.

Meanwhile, Movement of maize by Lorry was witnessed from Bihar to various consumption centers in Gujarat, Rajasthan and Punjab.

At present, Bihar maize is offered at Rs 11900 by rakes to Udumalpet and Tirupur as reported. However people remained cautious due to quality concerns for Bihar maize as the rake takes almost 15 days to arrive. Maize which is arriving in the market has the moisture content of around 14-15% which is considered as moderate for exports to countries like Bangladesh. Traders believes that if the weather remained good for another 10-15 days then the moisture level will come down to 13% as reported.

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:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12550	12100	258
Kakinada	12300-12500		252-255 FAS/FOB

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	11800
SKM, Erode	12100

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	08 th MAY, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1175	1180	1380	1380	1240
Koppal	Bilty	1100	1140	1160	1140	1225
Davangere	Bilty	1100	1100	1150	1120	1220
Naugachia	Bilty	925	920	1150	-	1025
Nizamabad	Bilty	1140	1140	1150	1150	1225
Ahmadabad	Feed	1200	1240	1360	1300	1210
	Starch	1220	1270	1400	1315	1210

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



- Market is moving downwards during the week ended 8th May 2012.
- Maize prices might get support towards the mentioned trend line as chart depicts.
- Prices are likely to trade between Rs 1140 to Rs 1180 in the coming week.

DOMESTIC MAIZE OUTLOOK:

Maize prices are continuously moving downwards in key spot markets taking cues from new crop arrivals from AP and Bihar. However, short term firmness in International prices might support the prices of maize in the coming week. We expect prices are likely to stabilize at present level and will move in a range.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

International Maize prices traded range bound with firm tone in CBOT during the week ended 8th May 2012 owing to lower corn stock in US and increasing Chinese corn demand. US corn planting progress seems satisfactory. Despite of cool weather and recent rainfall in various corn growing regions in US, corn planting advanced to 71 percent till 7th May 2012 from 53 percent from previous week.

Last year US corn growers sowed around 32% of corn till last year same period. Good planting seen in the regions like Colorado, Iowa and Nebraska as reported. However planting activities in US are expected to get slower due to heavy rain in major corn growing belt.

	Week Ending			2007-11 Average
	5/6/2011	4/29/2012	5/6/2012	
US	32	53	71	47

* Figures are in Percentage

It is notable that US farmers will plant record corn crop in 75 years in their respective fields over lower US corn stocks.

Some Other major International Corn Highlights during the week are:

- Ukraine corn exports tripled compared to last year to 11.3 million tons from the period started July 1 till 7th May 2012
- Recently, Argentina farmers are planning to halt sales of grains for 4 days to protest against high soyabean export taxes and government policies in the corn market.
- China is likely to import around 7.9 million tons of corn in 2012-13 as per the survey conducted by Reuters from 10 different analysts and traders.
- More than 50% corn area has been covered so far. Weather remains favorable for corn planting and proper growth for the crop.
- China is not interested in buying GM crops and thus Argentina will not export corn to China.

INTERNATIONAL MAIZE OUTLOOK:

Tight corn stocks in US, higher demand of maize from China and recent downgrade of maize production from Argentina has offset the bearish impact of higher corn planting in US. We expect prices are likely to trade range bound with firm tone in the coming week.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	01/5/2012	08/5/2012	Change
Corn CBOT Prices	May-12	259.68	262.14	+2.46
	Jul-12	247.57	245.21	-2.36
	Sep-12	216.58	211.76	-4.82
	Dec-12	212.05	207.82	-4.23

CBOT MAIZE FUTURES OUTLOOK:



- Maize prices are moving in range bound with some upward correction as the chart depicts.
- Maize prices are trading in a short range between 590 to 684 cents/bushel.
- Prices are trying to breach the upper Fibonacci Fann, two consecutive close above will give the buy signal.
- Strategy: **Markets participants should Sell Corn CBOT from 620 Cents/bushel level and the target would be 600 cents/bushels for next week.**

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(June Contract Weekly Chart)

- Maize prices are moving in a falling channel as chart depicts.
- Prices are moving in a broad trading range between Rs 1155 to Rs 1237, two consecutive close either side will give the prices a new direction.
- Last Candlestick pattern bearish morubozu suggest bearishness in the prices.

- **Strategy:** Sell from resistance level.

Maize NCDEX (MAY)

Support & Resistance				
S2	S1	PCP	R1	R2
-	1155	1168	1217	1237

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