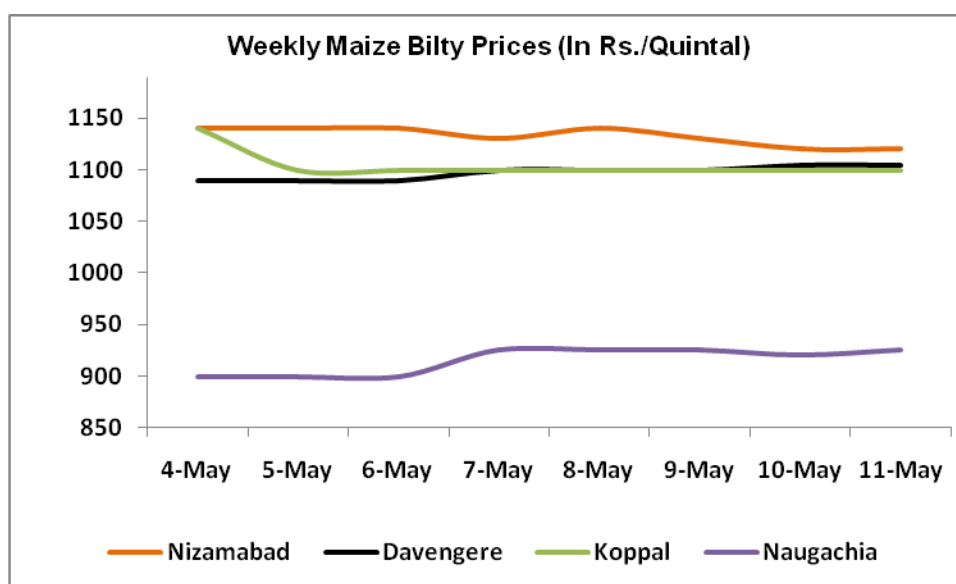


EXECUTIVE SUMMARY

Maize prices are consistently moving downwards in various key spot markets during the week ended 14th May 2012. Arrival pressure from Bihar and weak international sentiments due to bearish USDA report for the markets are the major influencing factors for decline of maize price in domestic markets. Maize prices are hovering at around Rs 1084 per quintal on an average on pan India basis, decline by around 0.46% compared to last week. Prices of maize also declined by 8.52% compared to last year same period. Meanwhile, Demand from Chana might shift towards maize as processed pulses manufacturers might use maize over chana for making chana flour due to lesser maize prices as per trade sources.



ON THE EXPORT FRONT:

Despite of continuous decline in domestic maize prices, Indian C&F Maize prices (~\$290.30) improved by \$2 during the week compared to the prior week owing to recent rupee appreciation which affect the export costing for exporters. Meanwhile, Indian maize exporters are getting parity compared to US Maize exporters (~326.14) though getting stiff competition to Brazil C&F (~\$280.4) and Argentina C&F (~\$289.17) owing to decline in CBOT Corn prices due to recent USDA report.

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 53.73)				
	Argentina	Brazil	US	India
FOB	239.17	225.4	266.14	257
Incl Cost and Freight (C&F)	289.17	280.4	326.14	292.13

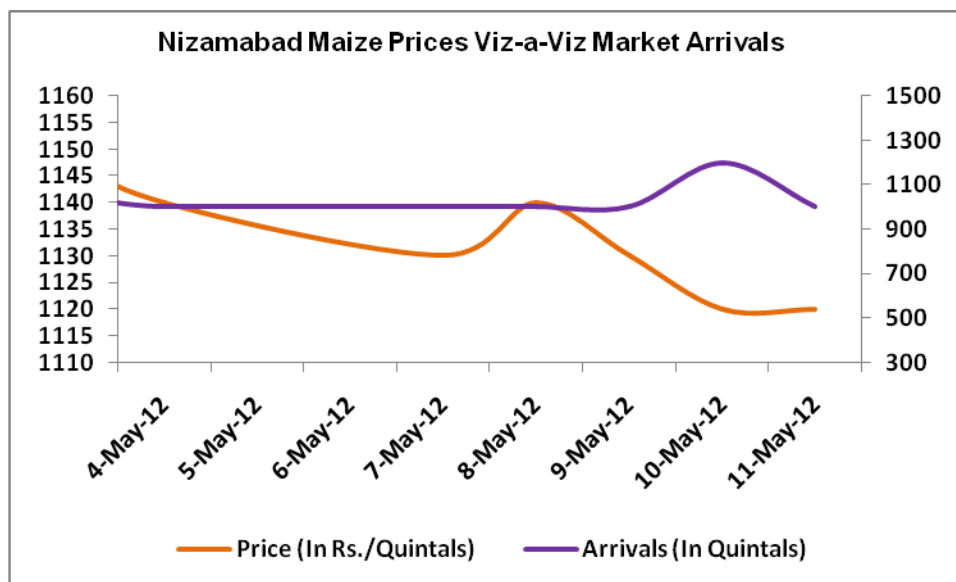
A maize cargo of 23000 tons is loading at Kakinada port that has expected time of completion of 11th May 2012. The vessel name is Vinalines Ocean.

Malaysian Markets – Indian exporters have sold at USD 254 PMT CFR Malaysia Port Klang and Port Penang.

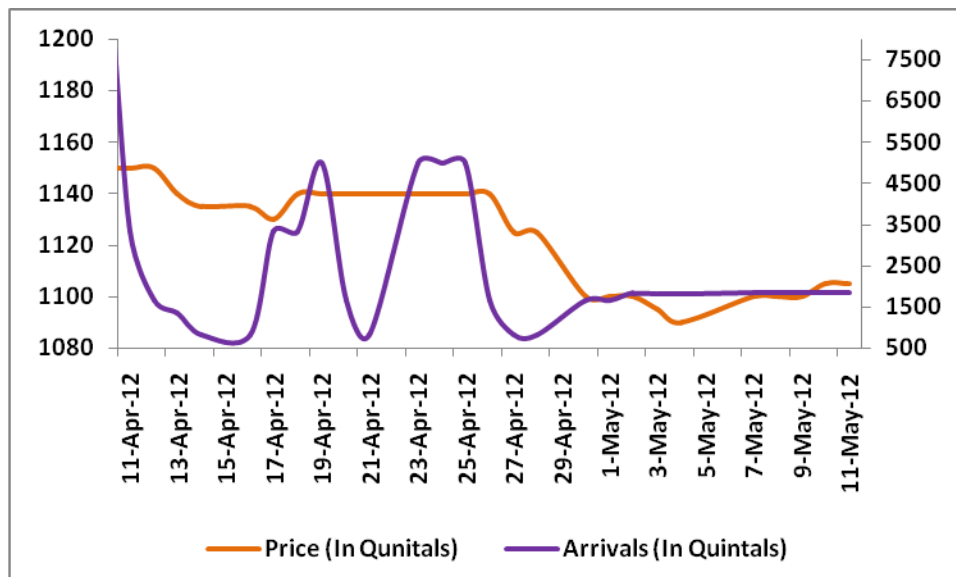
CURRENT MARKET DYNAMICS:

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 despite the fact that Rabi crop is estimated to be lower than expected this year compared to last year. Prices declined in AP markets due to weak demand and moderate arrivals of maize. 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.



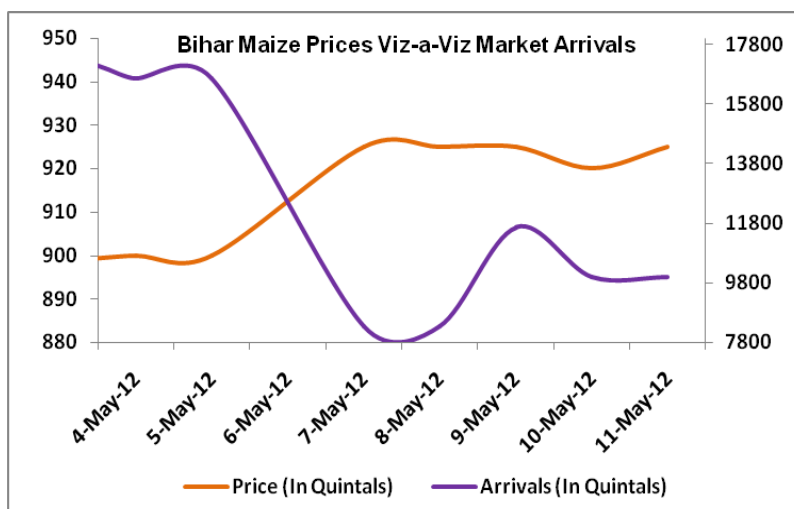
Karnataka: Prices have declined in Davangere market compared to the previous week. Demand is weak for maize in Karnataka as there is no demand of maize in the export markets at present. Also, very less rake business reported of maize for other consuming markets which led the prices of maize down in Karnataka spot markets. Rake has offered from Karnataka market to Chennai at FOR Rs 12000 per ton.



Meanwhile, Prices in Koppal have also declined sharply during the week due to lackluster trade and dull demand. Gujarat market, one of the biggest buyer of maize from Karnataka, is buying maize from Bihar due to better import parity compared to Koppal. It is noticeable that Bihar is exporting maize to Ahmedabad at 1270 FOR while Koppal is giving maize to Ahmedabad at 1280-1300 FOR.

Bihar: Prices of maize stabilize in Naugachia market during the week. Prices are moving in a range between Rs 900 to Rs 930. 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.

Maize production is now estimated at 2.5 million tons in Bihar only for this season which put weight on the prices.



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 FOR Rs 11900 per ton by rakes to Namakkal and Tirupur and FOR Rs. 11500 per ton to Kakinada by Rake 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 believe 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. Delhi maize prices are trading well below wheat prices, due to recent crop arrivals from Bihar, which indicates that demand of maize, will not shift to wheat as of now.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12400-12500 (Karnataka Origin)	12000	-
Kolkata	10600		
Tirupur/Namakkal	12000 - Karnataka Origin	11900- Bihar Origin, 12180 – Karnataka Origin	
Kakinada	-	11500 (Bihar Origin)	-

RAKE BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON:

Sourcing Centers	30 th Apr
Davengere	71
Koppal (Including Neighboring Centers)	-
Ranebennur	100
Haveri	45
Shimoga + Bagalkot, Bellary	28

* Figures in Rakes.

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	11 th ,MAY, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1175	1175	1385	1380	1240
Koppal	Bilty	1100	1140	1150	1140	1220
Davangere	Bilty	1105	1090	1150	1110	1225
Naugachia	Bilty	925	900	1135	-	1020
Nizamabad	Bilty	1120	1140	1160	1170	1240
Ahmadabad	Feed	1175	1200	1370	1300	1225
	Starch	1210	1250	1400	1315	1220

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



- Market is moving downwards during the week ended 11th May 2012.
- Maize prices might get support towards the mentioned trend line as chart depicts.
- Prices are likely to trade between Rs 1110 to Rs 1140 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. Also, Recent USDA report spread bearish sentiments in domestic as well as international corn markets. We expect prices are likely to move range bound with weak tone in the coming week.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

International Maize prices moved down sharply in CBOT during the week ended 11th May 2012 owing to US Corn planting progress and recent USDA report. 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.

Also, as per recent USDA report, Corn production for 2012-13 is projected at 14.8 billion bushels, up 2.4 billion bushels for 2011-12 due to 5.1 million acre of corn acreage and higher expected yields drive the production prospects up for next year. Also, World corn ending stocks are likely to increase by 24.8 million to 152.3 million tons from last year, highest since 2000/01.

Some Other major International Corn Highlights during the week are:

- Ukraine is likely to produce 23 million tons of corn in 2012-13 compared to 22 million tons in 2011-12 as reported.
- Recently China bought 8 cargoes which totaled around 500,000 tons of corn from US this week. It is notable that most of the shipments will be delivered for the next marketing year i.e. 2012-13.
- Ukraine corn exports tripled compared to last year to 11.3 million tons from the period started July 1 till 7th May 2012

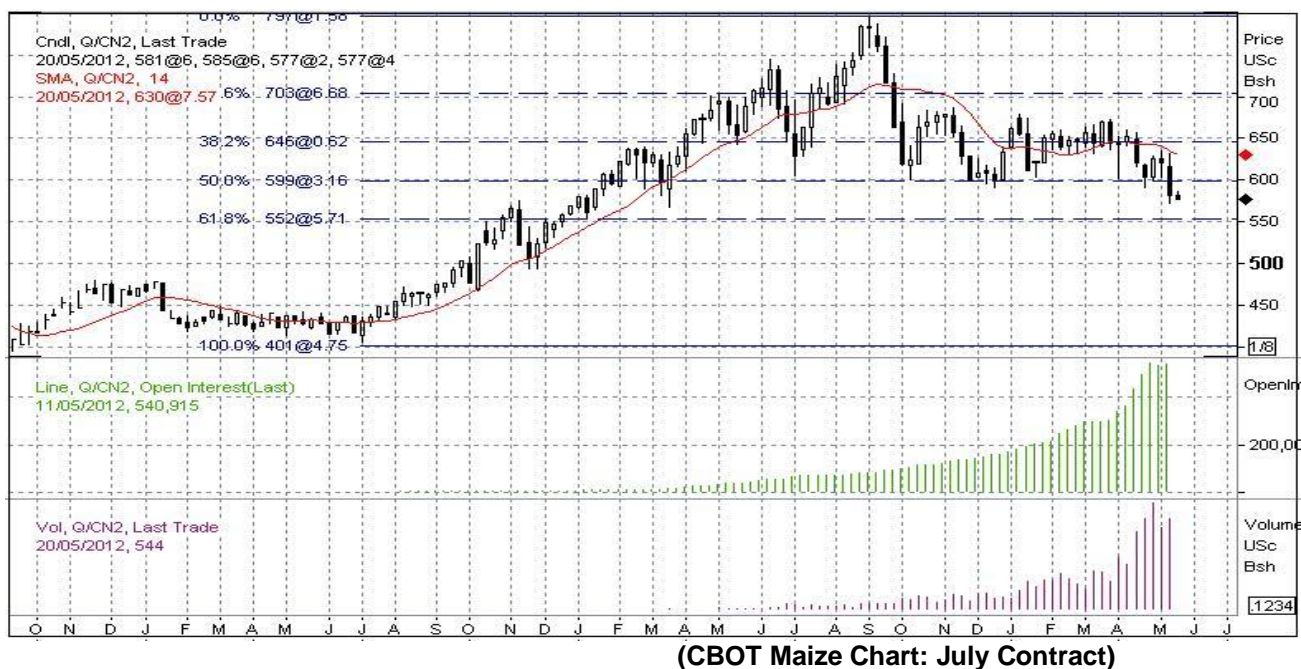
- China is likely to import around 7.9 million tons of corn in 2012-13 as per the survey conducted by Reuters from 10 different analysts and traders.
- More than 50% corn area has been covered so far. Weather remains favorable for corn planting and proper growth for the crop.

INTERNATIONAL MAIZE OUTLOOK:

Good planting and good corn production in US for next season spread the bearishness in the prices of corn. We expect prices will move down further in the coming week.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	04/5/2012	11/5/2012	Change
Corn CBOT Prices	May-12	244.13	228.68	-15.45
	Jul-12	210.67	201.23	-9.44
	Sep-12	206.34	198.87	-7.47
	Dec-12	210.97	203.49	-7.48

CBOT MAIZE FUTURES OUTLOOK:



- Maize prices are moving downwards as the chart depicts.

- Prices have recently breach rectangle ranging between 590 to 650 cents/ bushel and likely to test 550 level which also lying over 61.8% retracement level.
- Decrease in prices has supported by volume and OI.
- Strategy: **Markets participants should Sell Corn CBOT from 590 Cents/bushel level and the target would be 560 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 1130 to Rs 1217, 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 support level.

Maize NCDEX (June)

Support & Resistance				
S2	S1	PCP	R1	R2
1005	1065	1144	1185	1217

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