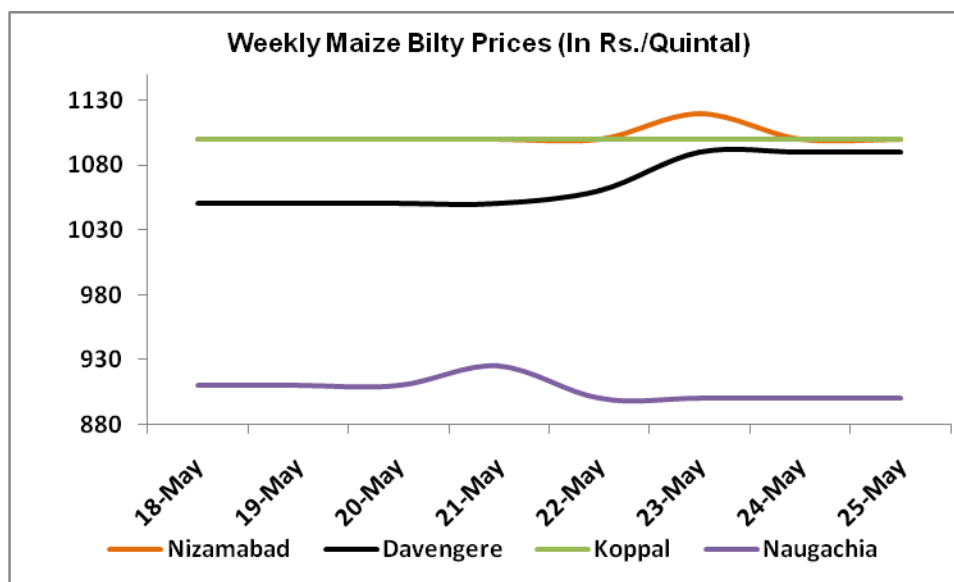


EXECUTIVE SUMMARY

Maize prices are consistently moving downwards specially in northern India during the week ended 28th May 2012. Continuous arrivals from Bihar put weight on the prices. Maize prices are hovering at around Rs 1053 per quintal on an average on pan India basis, decline by around 1% compared to last week. Prices of maize also declined by 9% compared to last year same period.



ON THE EXPORT FRONT:

Indian FOB Maize prices (~\$244) declined by \$1 per ton during the week compared to the prior week owing to rupee touched its all time low which favors the maize exporters. Meanwhile, Indian maize exporters are getting parity compared to US Maize (~\$265.67) and Argentina (~\$242.91) though getting stiff competition to Brazil C&F (~\$225.9).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.80)				
	Argentina	Brazil	US	India
FOB	242.91	209.2	265.67	244
Incl Cost and Freight (C&F)	292.91	264.2	325.67	278.96

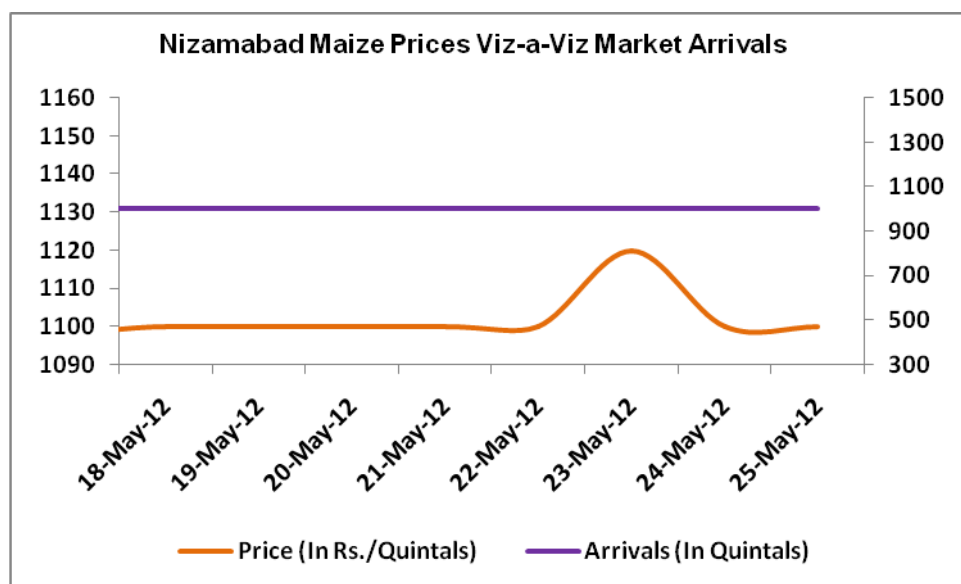
Indian Corn from AP market and Bihar markets are offering at USD 244 and USD 240 respectively. Meanwhile, trade for Chennai is subdued with very marginal quantity as most of the exports has shifted towards Kolkata port for the Malaysian port delivery.

Malaysian Markets – Indian exporters have sold at USD 250 PMT CFR Malaysia Port Klang and Port Penang.

CURRENT MARKET DYNAMICS:

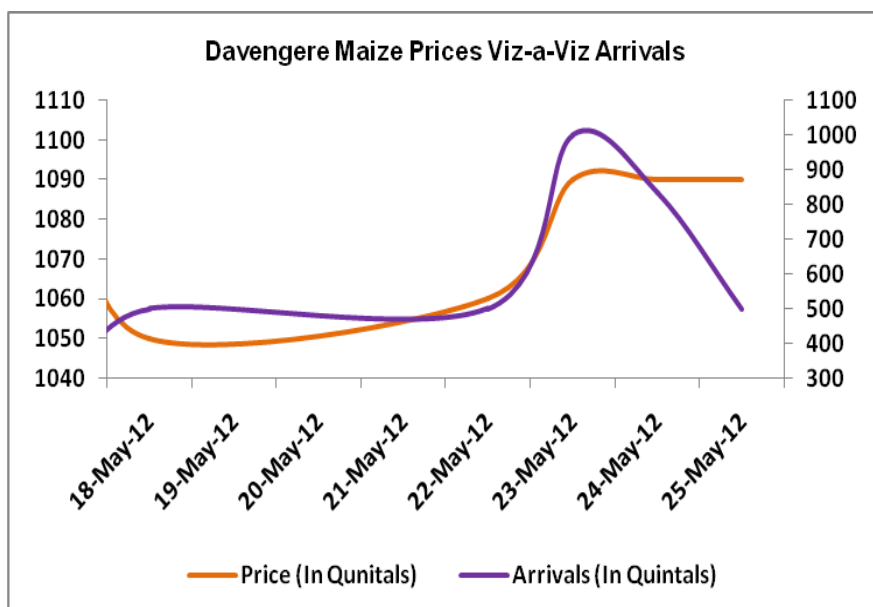
Maize prices moved downwards during the week with increasing crop arrivals from Bihar and AP. Here are the various key spot markets dynamics below:

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 improved in Davangere market compared to the previous week. Weak arrivals support the maize prices. However, very less rake business reported of maize for other consuming markets. Maize FOR Tirpur/Namakkal by Trucks from Karnataka quoted at Rs 11500-11600 per MT.

FOR Chennai by rake from Karnataka market at FOR Rs 12000 per ton (no business reported at present).



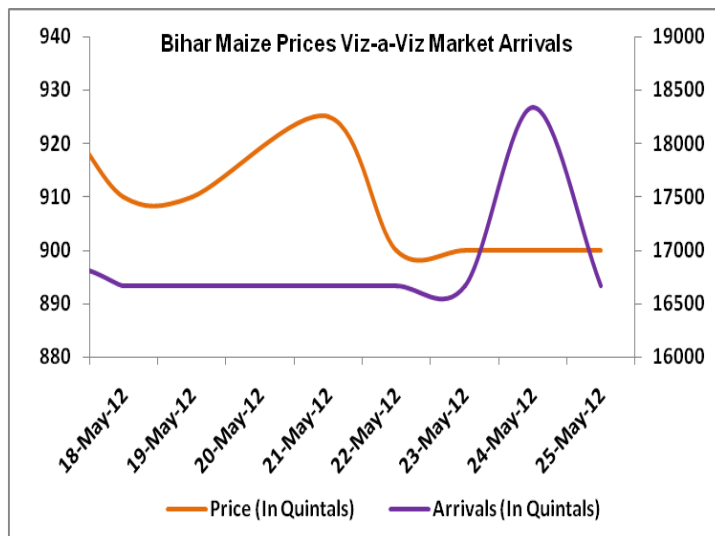
Meanwhile, Prices in Koppal remained steady during the week due to lackluster trade and very less maize stock left in the market. Gujarat market, one of the biggest buyer of maize from Karnataka, is buying maize from Bihar due to better import parity compared to Koppal. It is noticeable that Bihar is exporting maize to Ahmedabad at 1270 FOR while Koppal is giving maize to Ahmedabad at 1280-1300 FOR.

Bihar: Prices of maize are moving steady to weak in Naugachia market during the week due to continuous arrivals in the market. 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, Rake business of maize has been witnessed from Khagaria, Mansi, Naugachia and Gulab Bagh sourcing centers to Rajasthan, Punjab, Delhi etc. Around 6 rake business has been reported from Khagaria market till date in this season.

Only 10-15% maize stocks have been arrived in the Bihar markets till date as reported. However, high moisture content still remained a big concern for traders.



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. As far as moisture content is content, it came around 14-15% as reported 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 continuously 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	12300-12500 (Karnataka Origin)	12000	-
Kolkata	10600		
Tirupur/Namakkal	11500 -11600 Karnataka Origin	11900- Bihar Origin, 12180 – Karnataka Origin	
Kakinada	-	11500 (Bihar Origin)	-

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

Buyer	Purchase Prices (Rs/MT)
VHL Hosur	11300
CP Vellore	11800
Godrej Chitradurga	11100

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	25 th MAY, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1085	1160	1250	1380	1255
Koppal	Bilty	1100	1100	1140	1140	1130
Davangere	Bilty	1090	1050	1140	1150	1190
Naugachia	Bilty	900	910	950	-	1025
Nizamabad	Bilty	1100	1100	1150	1160	1200
Khagaria	Bilty	850	950	1050	1200	-
Ahmadabad	Feed	1160	1175	1240	1300	1225
	Starch	1210	1200	1270	1330	1225

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



- Market is moving downwards during the week ended 28th May 2012.
- Maize prices might get support towards the mentioned trend line as chart depicts.
- Prices are likely to trade between Rs 1100 to Rs 1140 in the coming week.

DOMESTIC MAIZE OUTLOOK:

With ample maize stock left in Bihar, maize prices are likely to move towards southward direction. In addition to it, weak international sentiments and need based maize buying from feed buyers might add pressure on the prices of maize domestically.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

International Maize prices declined sharply in CBOT during the week ended 28th May 2012 due to good US Corn planting progress and recent IGC report. In addition to it, recent US corn weekly export figures and global economic worries kept the prices at lower side.

Meanwhile, IGC recently raised global corn production estimate to 913 million tons for 2012-13 in its May report from 900 million tons estimate last month. Good corn planting figures came from US and Ukraine urge them to raised their global corn production estimates by 5%.

Out of 913 million tons, US are likely to produce 355 million tons of corn which is up by 13% Y-o-Y. However, corn use in feed is likely to increase by 5%. However, use of corn is expectedly slower in industrial use by 2% compared to 2011-12. World corn stocks are expected to be at its higher levels in three years owing to surge in US corn output.

	2011-12 est.	2012-13 (Forecast)			
		Apr-12	May-12	% Change MOM	%Change YOY
Production	866	900	913	1.4%	5.4%
Trade	94	100	102	2.0%	8.5%
Consumption	870	893	902	1.0%	3.7%
Carryover stocks	129	135	141	4.4%	9.3%
YOY Change	-4		+12		

Meanwhile, Farmers have planted record corn crop in their respective fields represented by recent USDA corn planting progress. Farmers have completed 96% of the corn planted till 21st May 2012 up from 87% corn planted till last week.

Last year, farmers have completed 75% corn plantation during same period last year. Meanwhile, out of 18 states, Wisconsin and Michigan had showed great improvement in corn planting compared to last week. Also, planting in Tennessee state has already completed for this season.

	Week Ending			2007-11 Average
	5/20/2011	5/13/2012	5/20/2012	
US	75	87	96	81

* Figures are in Percentage

Meanwhile, USDA rate 77% corn crop good to excellent. It is notable that US is suffering from lower corn stocks at present but recent corn planting would lift the corn stock levels considerably higher after harvesting.

Some Other major International Corn Highlights during the week are:

- Japan feed millers bought around 500000 tons of corn for shipments between July and September. Buyers purchased 300000 tons of corn from Brazil and 200000 tons of corn from Argentina. It is notable that corn prices in Argentina and Brazil are quite low at present compared to other major exporting nations.
- Argentina declined its corn production estimate for 2011-12 to 20.1 million tons from 20.3 million tons on Thursday. According to agricultural ministry in its monthly report.
- Ukraine might produce 24 million tons of corn in 2012-13 season owing to increase in corn planting by growers in their respective fields. It is notable that growers in Ukraine plant corn in around 4.5 million hectares for 2012-13 season compared to 3.5 million hectares for 2011-12.
- Recent rains in US help dry soils to get some irrigation which results in good corn production for 2012-13.
- Argentina's Buenos Aires Grains Exchange cuts corn production estimate to 19.3 million tons from 19.8 million tons for 2011-12. It is notable that drought and then flooding in Argentina hurt crops like Corn and Soyabean.
- Weekly US corn export sales were 482100 tons this week (old crop and new crop combined) which is well below the estimates for 1 million tons to 1.3 million tons which urge the corn prices to decline.
- South Africa cuts its corn production estimate to 11.056 million tons from 11.12 million tons for 2011-12. Corn output is affected by dry weather in Northwest province which ultimately affect the yield. It is notable that out of 11.056 million tons, 6.36 million tons is white maize and rest is yellow maize. Source: Crop Estimates Committee (CEC).
- US is facing stiff competition from Ukrainian and Argentina corn as China is slowly shifting its corn buying intentions towards these corn producers. Recently, Japan bought 500000 tons of corn from Ukraine. It is notable that FOB prices of Ukraine and Argentina corn is considerably lower compared to US at present. However, queries might rise on quality grounds. Chinese corn imports increase considerably this year to 7 million tons from 6 million tons a year earlier.

INTERNATIONAL MAIZE OUTLOOK:

Corn prices are likely to decline considering higher corn production estimate globally by IGC and good corn planting in US and Ukraine which might pressurize the corn prices.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	17/5/2012	24/5/2012	Change
Corn CBOT Prices	Jul-12	246.00	227.70	-18.3
	Sep-12	211.95	203.98	-7.97
	Dec-12	207.92	202.70	-5.22
	Mar-13	212.25	207.23	-5.02

CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: July Contract)

- Maize prices are moving upwards as the chart depicts.
- Prices are moving in range between 590 to 650 cents/ bushel
- Increase in prices has supported by volume and OI.
- Strategy: **Markets participants should buy Corn CBOT from 630 Cents/bushel level and the target would be 650 cents/bushels for next week.**

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(June Contract Weekly Chart)

- Maize prices are moving in a downward channel as chart depicts.
- Prices are moving in a broad trading range between Rs 1088 to Rs 1205, two consecutive close either side will give the prices a new direction.
- Prices are likely to move down after testing upper channel line.
- **Strategy:** Sell from entry level.

Maize NCDEX (June)

Support & Resistance				
S2	S1	PCP	R1	R2
1005	1088	1140	1177	1205

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