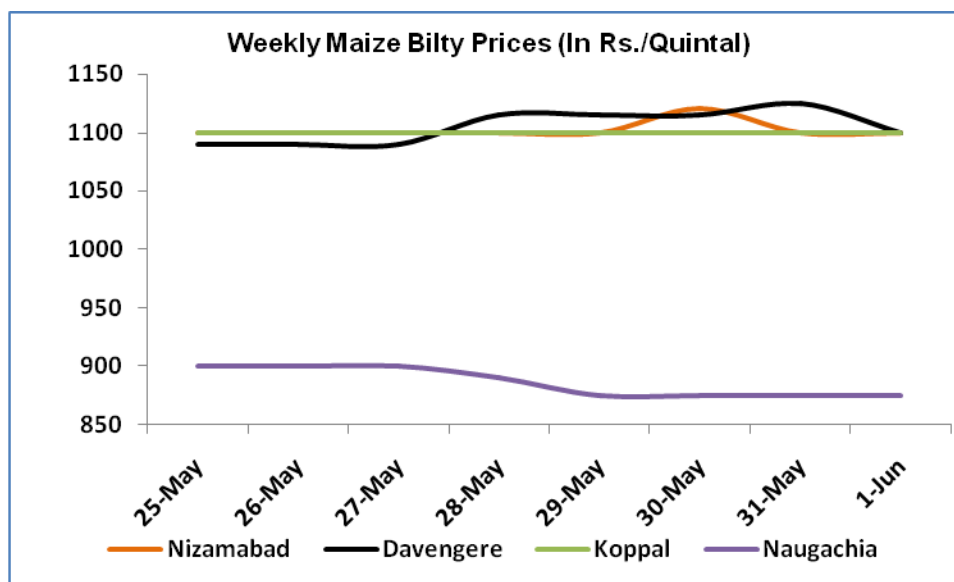


EXECUTIVE SUMMARY

Mixed sentiments recorded in various maize markets during the week ended 1st June, 2012. Continuous arrivals and weak demand in key Bihar markets weighed on the prices. However, prices improved in Davengere market as increasing demand from domestic feed buyers and depleting stock of maize which support the prices.

Maize prices are hovering at around Rs 1053 per quintal on an average on pan India basis, improved by around 1% compared to last week. However, Prices of maize also declined by 8% compared to last year same period.



ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$281.21) improved by \$2 per ton during the week compared to the prior week owing to recent increase in maize prices in Southern India due to increase in demand. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices of maize (~\$315.83) and though getting stiff competition from Argentina (~\$273.43) and Brazil C&F (~\$257.06).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.92)				
	Argentina	Brazil	US	India
FOB	223.43	202.06	255.83	246
Incl Cost and Freight (C&F)	273.43	257.06	315.83	281.21

Indian Corn from AP market and Bihar markets are offered at FOB USD 240 and FOB USD 238 respectively.

Meanwhile, trade in Chennai is subdued with very marginal quantity as most of the exports has shifted towards Kolkata port for the Malaysian delivery.

It is noticeable that around 2.5 million tons of maize has already been shipped in this marketing year and we are expecting more than 3 million tons of maize exports this year.

Meanwhile, a vessel named Vinalines unity is expected to arrive at Vizag port for loading of around 21000 tons maize.

Malaysian Markets – Indian exporters have sold at USD 248-250 PMT CFR Malaysia Port Klang and Port Penang.

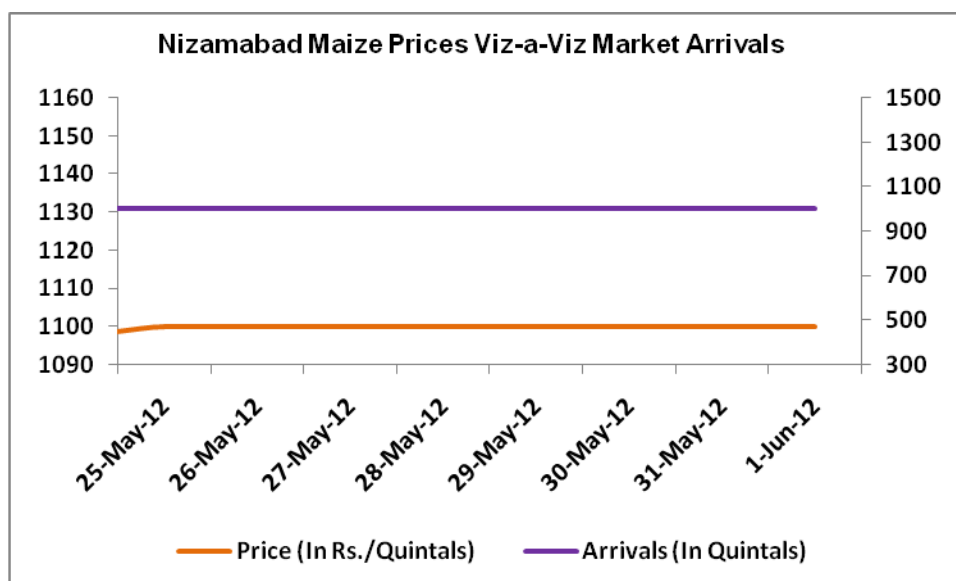
CURRENT MARKET DYNAMICS:

Maize prices are mixed during the week. Here are the various key spot markets dynamics below:

Andhra Pradesh: Maize prices were steady in various markets of AP despite the increase in demand from Poultry and Starch Industries. Meanwhile, around 30% stock of maize is still left in Nizamabad as reported. Traders are holding around 5 lac bags of maize in AP, out of which 1 lac bags of maize are held by traders in Nizamabad alone.

However, no rakes business has been reported this week from Nizamabad. Poultry and Starch Industries are holding maize stocks as reported as they are anticipating increase in maize prices in the coming month.

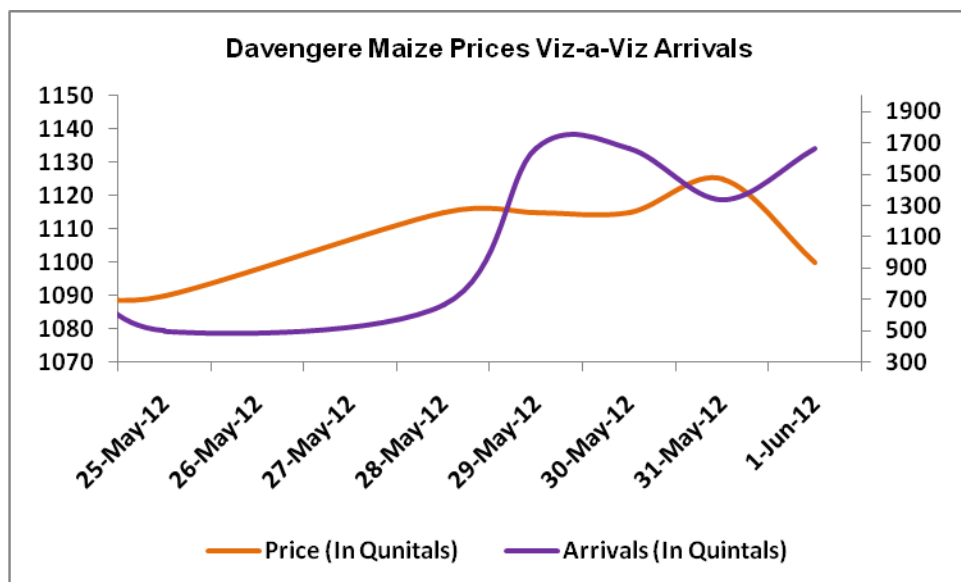
As far as sowing is concerned, it is delayed by 10-15 days owing to lack of rainfall in the region.



Karnataka: Prices have improved in Davangere market compared to the previous week. Depleting maize stocks in Karnataka and good local buying from Poultry and Starch Industry increased the prices. However, very few rake businesses reported of maize for other consuming markets due to lower stocks. Maize FOR Tirupur/Namakkal by Trucks from Karnataka quoted at Rs 11500-11600 per MT and Rs. 11600 per MT from Rake.

Meanwhile, more than 250 rakes has moved from Karnataka in this season out of which 40 rakes moved from Haveri district and 110 rakes from Ranebennuru.

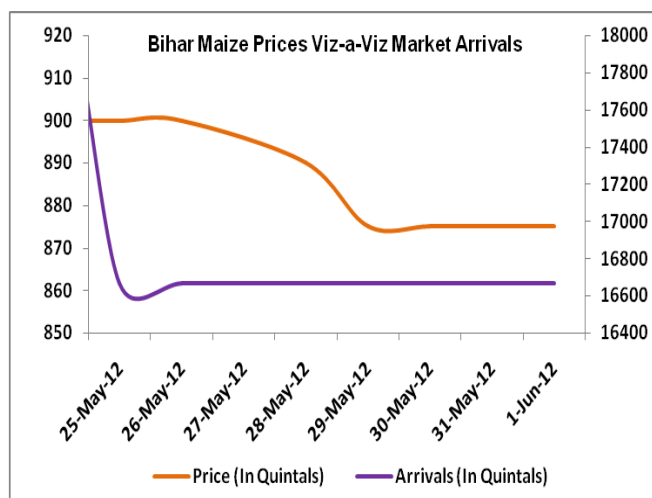
Local buyers are buying maize from Ranebennuru at 1100-1110 per quintal. Major buyers are Shanti, Suguna etc. Also, VHL is buying maize by lorry at 1150 per quintal as reported.



Meanwhile, dull trading activity recorded in Koppal as stocks of maize are negligible which kept the prices steady at present.

Sowing of maize has not started yet and likely to start only when monsoon hits the state. It is expected to hit Kerala by 1st June and Karnataka by 5th June as per IMD forecasts.

Bihar: Maize prices continuously declined in various sourcing markets during the week ended 1st June 2012. Weak demand and consistent maize arrivals kept the prices on the lower side. In addition to it, Punjab and Haryana maize buyers have already fulfilled their short term maize requirement which is the major reason for decline in demand as well as prices in Bihar. Prices of maize are moving steady to weak in Naugachia market during the week due to continuous arrivals in the market. Prices are trading below MSP at Rs 875 per quintal.



Meanwhile, Maize production is now estimated at 2.5 million tons in Bihar only for this season as distributed and timely rainfall in maize growing region resulted in bumper yield.

As far as rake business from Bihar is concerned, around 125 rakes of maize have moved from Bihar to various consuming centers.

Rake business of maize has been witnessed from Khagaria, Mansi, Naugachia and Gulab Bagh sourcing centers to Rajasthan, Punjab, Delhi etc. Around 6 rakes worth of business has been reported from Khagaria market till date in this season.

Only 25-30% maize stocks have arrived in the Bihar markets till date as reported. Also, favorable weather conditions reduced the moisture content of maize to 12-13% compared to 13-14% couple of weeks ago, which is suitable for exports also.

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

In Delhi market, Prices are continuously declining owing to good arrivals of new maize from Bihar. In addition to it, dull demand pressurizes the prices. There are no prospects of increase in price of maize in Delhi market at present. Delhi maize prices are trading well below wheat prices, due to recent crop arrivals from Bihar, which indicates that wheat demand is likely to shift towards maize. Meanwhile, arrivals of maize from Bihar are coming by road to Delhi due to the distance of the local maize markets from Railway stations where rakes unload. Other neighboring states like Punjab and Haryana are getting maize through rakes 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	12300-13500	-	-
Kolkata	10600		
Tirupur/Namakkal	11500 -11600 Karnataka Origin	11600 – 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	11100
CP Vellore	11100
Godrej Chitradurga	10800

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	01 st June, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1090	1085	1400	1400	1240
Koppal	Bilty	1100	1100	1160	1160	-
Davangere	Bilty	1100	1090	1130	1150	1160
Naugachia	Bilty	875	900	-	-	1000
Nizamabad	Bilty	1100	1100	1160	1160	1180
Khagaria	Bilty	900	850	975	1200	-
Ahmadabad	Feed	1140	1160	1325	1320	1245
	Starch	1175	1210	1340	1340	1270

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



- Market is moving sideways during the week ended 1st 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:

Maize prices are likely to continue its bear run especially in Bihar and Delhi markets due to consistent arrivals. However, prices might increase in markets based in southern part of India due to depleting maize stocks and good demand from Poultry and Starch Industries.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

International Maize prices declined in CBOT during the week ended 4th May 2012 due to good US Corn planting progress and recent IGC report. In addition to it, global economic worries kept the prices on the lower side.

Meanwhile, Recent USDA report shows that 72 percent of US corn standing crop is in good to excellent condition, compared to 77 a week earlier due to lack of rainfall and dry weather affecting the new planted corn.

Some Other major International Corn Highlights during the week are:

- Argentina corn exports reached to 3.51 million tons till 9th May down from 4.05 million tons corn exported last year same period, according to Agriculture ministry weekly report.
- Asian buyers prefer to buy corn over wheat for animal feed for the first time this year owing to higher wheat prices in CBOT market.
- Concerns over dry weather in Midwest region of US might hurt the newly planted corn crop.
- South Africa cut 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).

INTERNATIONAL MAIZE OUTLOOK:

Corn prices are likely to stay range bound with firm considering concerns over US corn crop that is suffering from lack of rainfall.

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	24/5/2012	31/5/2012	Change
Corn CBOT Prices	Jul-12	227.70	218.55	-9.15
	Sep-12	203.98	206.84	2.86
	Dec-12	202.70	205.46	2.76
	Mar-13	207.23	209.69	2.46

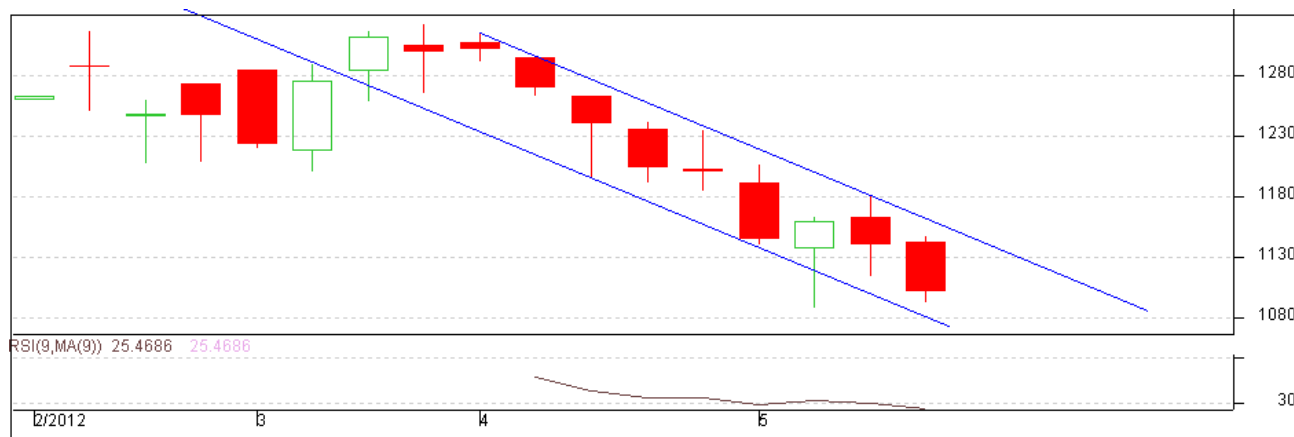
CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: July Contract)

- Maize prices are moving downwards as the chart depicts.
- Prices are moving in range between 550 to 690 cents/ bushel, two consecutive close either side will give the prices a new direction.
- Decline in prices has not supported by volume and OI.
- Strategy: **Markets participants should buy Corn CBOT from 550 Cents/bushel level and the target would be 590 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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