

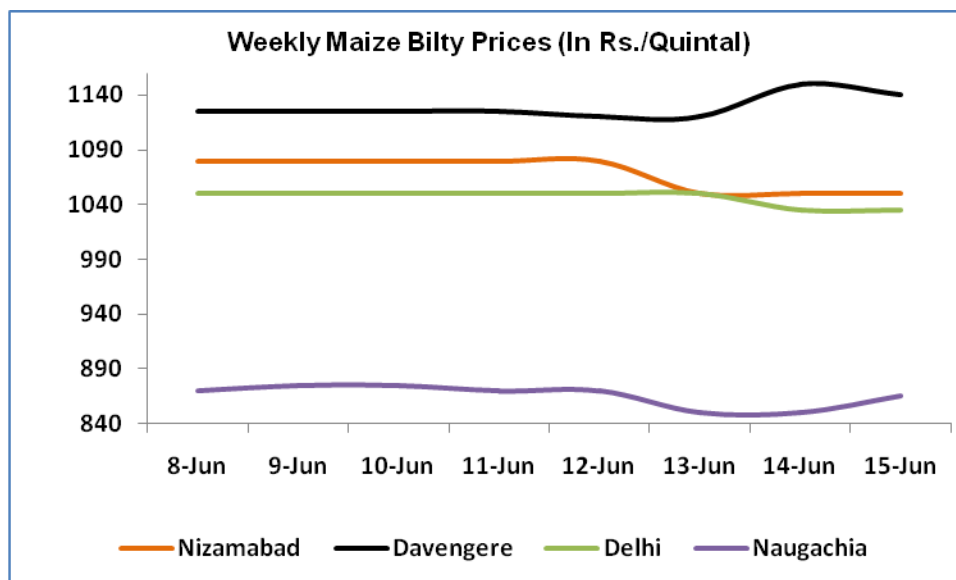
EXECUTIVE SUMMARY

Steady to weak sentiments recorded in various maize markets during the week ended 18th June, 2012.

Continuous arrivals and moderate demand in key Bihar markets weighed on the prices. However, prices improved in Davengere market as increasing demand from domestic feed buyers, decreasing arrivals and depleting stock of maize support the prices.

Meanwhile, the Cabinet committee on Economic Affairs approved the Minimum Support Prices (MSPs) for Maize Kharif Crop of 2012-13 Season. The MSPs of Maize have been raised by Rs.195 per quintal and fixed at Rs.1175 per quintal.

Maize prices are hovering at around Rs 1026 per quintal on an average on pan India basis, declined by around 1% compared to last week. However, Prices of maize also declined by 11% Y-o-Y.



ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$281.98) declined by \$8 per ton during the week compared to the prior week owing to recent decline in maize prices in Southern India and rupee depreciation. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices of maize (~\$353.10) and though getting stiff competition from Argentina (~\$285.24) and Brazil C&F (~\$273.04).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.75)				
	Argentina	Brazil	US	India
FOB	235.24	218.04	293.1	247
Incl Cost and Freight (C&F)	285.24	273.04	353.10	281.98

Coming months are pretty much crucial for India as increasing demand of corn from South Korea and Japan and lower corn stocks in US might shift major consumers towards India to fulfill their short term corn requirements.

Malaysian Markets – Indian exporters have sold at USD 220-225 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 weak in Nizamabad market in AP during the week ended 18th June 2012 despite of end of maize arrivals in the market. Rake arrivals from Bihar towards south gives competition to the Southern maize prices resulted in price decline in Nizamabad.

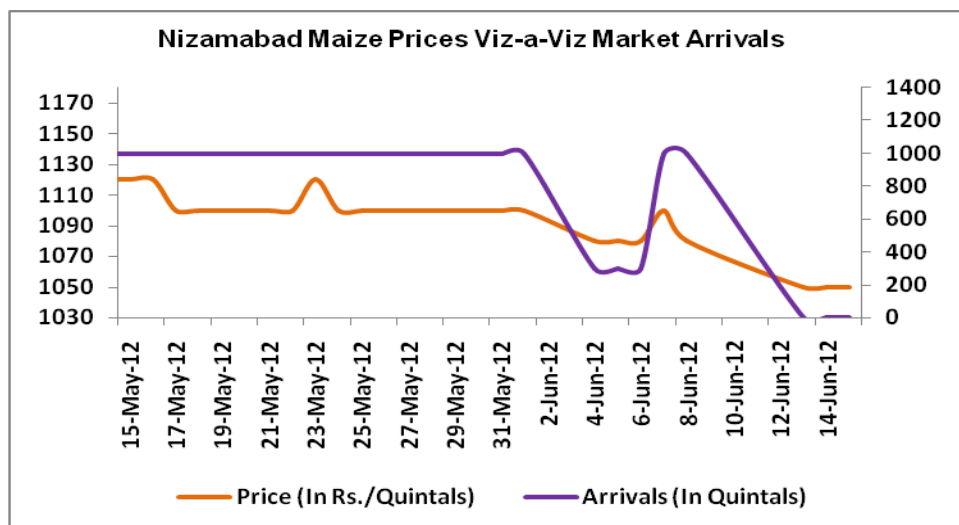
Meanwhile, around 25% stock of maize still left in Nizamabad as reported. Traders are holding around 5 lac bags of maize in AP, out of which 1 lac bags of maize are held by traders in Nizamabad alone.

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.

Sowing Update: Maize sowing has started in AP and farmers have planted maize in 0.012 lac hectares till 13th June 2012 lower than last year ~0.13 lac hectares.

	2012	2011	Normal (as on date)	Normal (Season)
Area Sown (In Lac hectares)	0.012	0.13	0.299	4.99

Note: Sowing Figures as on 13th June 2012



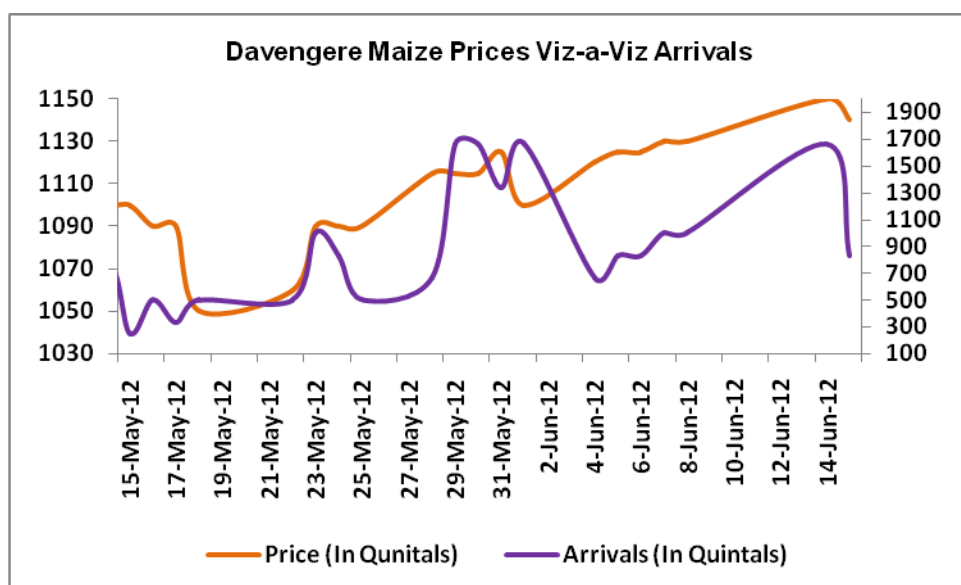
Karnataka: Prices have declined in Davangere market compared to the previous week. New rakes loading from Bihar markets towards southern consuming centers depress the prices of maize in Davangere market.

Meanwhile, around 12 rakes loading has been reported from Bihar towards various southern consumption centers like Bangalore, Erode, Chennai, Coimbatore, and Kakinada. Upcoming maize arrivals from Bihar towards south were the major reason for decline in maize prices in various Southern sourcing centers.

However, no rake business reported in this month from Davangere market.

Recently a rake business done from Ranebennur to Erode at FOR 1152 per quintal. SKM is the buyer as reported.

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.



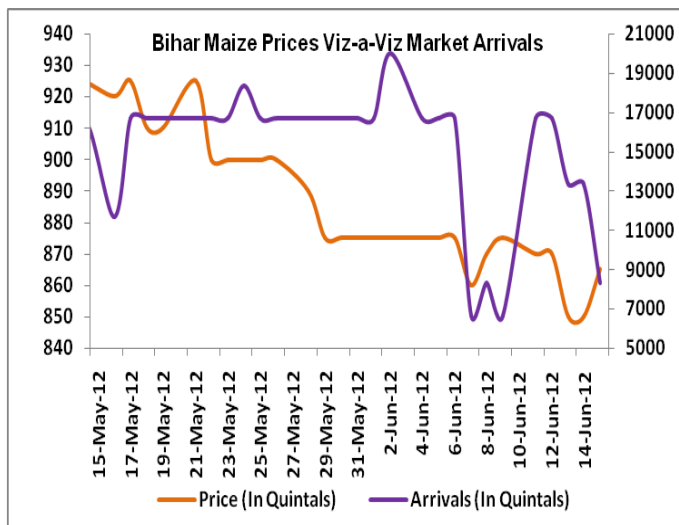
Meanwhile, dull trading activity recorded in Koppal as stocks of maize are negligible which kept the prices steady at present.

Sowing of maize has not started yet and rains reached in Karnataka 7 days behind its scheduled arrival date.

Bihar: Maize prices continuously declined in various markets of Bihar during the week ended 18th June 2012. Moderate demand and consistent maize arrival pressure kept the prices on the lower side

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 865 per quintal.

As far as rake loading is concerned, around 200 rakes have already moved from Bihar till date. Meanwhile, daily 5 rakes are loading from various stations from Bihar to various consumption centers.



Around 55% stock left for maize in Bihar at present. However, late sown corn crop is still due to arrive in the market till August.

In Delhi market, Prices are continuously declining owing to good arrivals of new maize from Bihar and UP. Fresh arrivals of maize has started from UP and traders are quoting maize price at Rs 910 per quintal as reported. Daily on an average 100 bags of maize are arriving in the market.

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 wheat demand is likely to shift towards maize.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12100-12200	-	-
Kolkata	10500		
Tirupur/Namakkal	11500 -11600 Karnataka Origin	12180 – Karnataka Origin	
Kakinada	-	11000-11100 (Bihar Origin)	-

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

Buyer	Purchase Prices (Rs/MT)
VHL Hosur	11000
CP Vellore	-
Godrej Chitradurga	10900-11000

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	15 th June,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1035	1050	1175	1400	1180
Koppal	Bilty	1100	1125	1100	1150	1200
Davangere	Bilty	1140	1130	1100	1135	1200
Naugachia	Bilty	865	870	925	1125	950
Nizamabad	Bilty	1050	1080	1120	1160	1220
Khagariya	Bilty	900	875	930	1100	-
Ahmedabad	Feed	1170	1120	1185	1325	1275
	Starch	1180	1150	1200	1370	1250

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



- Market is moving downwards during the week ended 18th June 2012.
- Maize prices are likely to test its next support level i.e. 1030.
- Prices are likely to trade between Rs 1030 to Rs 1100 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, domestic maize prices in southern India might trade range bound in the coming considering moderate demand and arrivals from Bihar by Rake.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

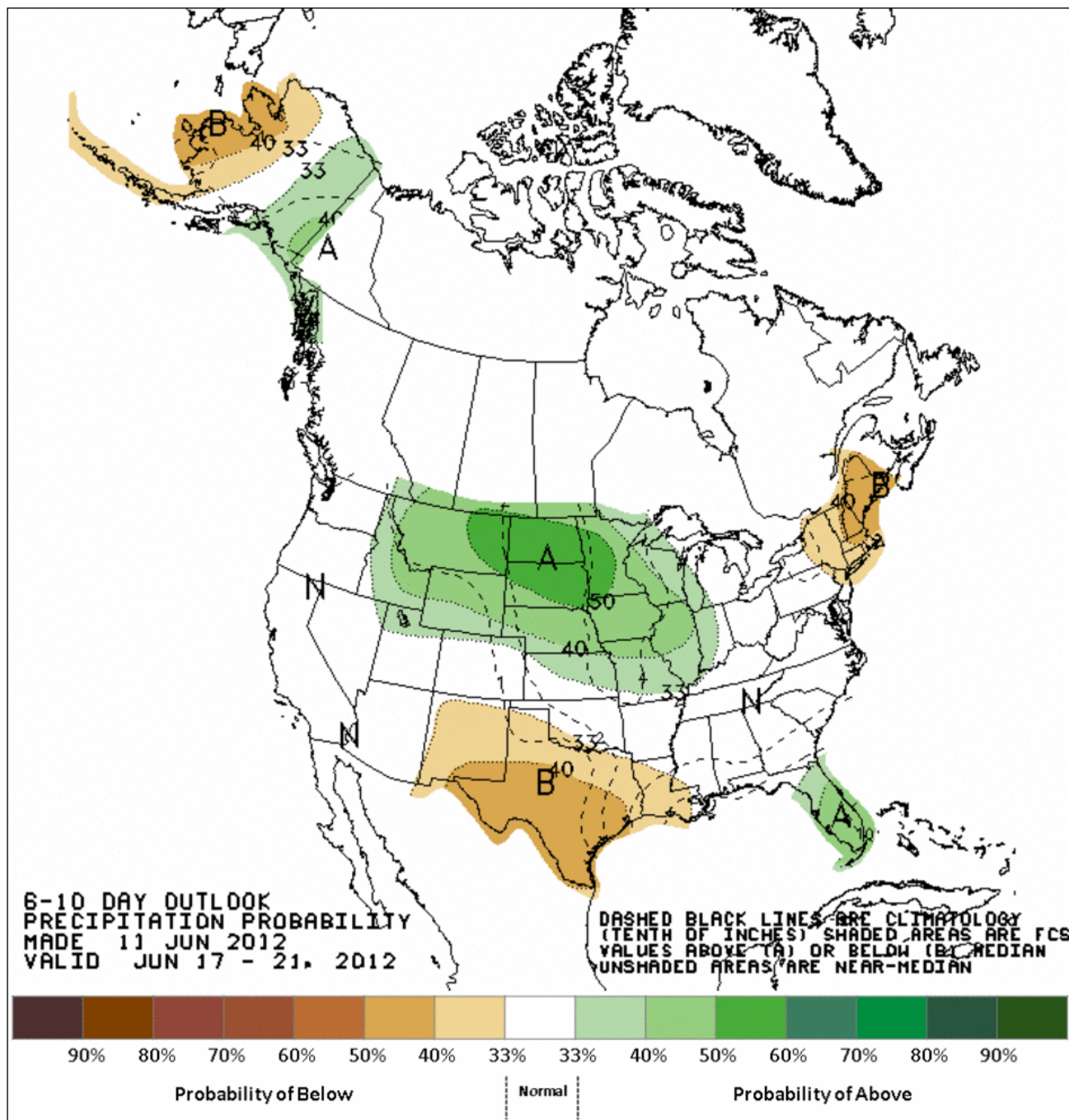
International Maize prices moved range bound with firm tone in CBOT during the week ended 18th June 2012 as recent increase in corn production by USDA published in its recent WASDE report and extended dry weather in US unable to give the direction to the corn prices in International markets.

USDA increase world corn production by 4.2 million tons this month over increasing corn production in countries like China, EU-27 etc. As far as exports are concerned, corn exports are projected 50 million bushels lower owing to tight corn US supplies and stiff competition with Brazil and Argentina which pressurize the US corn exports which might depress the corn prices in International corn markets.

	USDA June 2012-13 Ending Stocks Estimate	USDA May 2012-13 Ending Stocks	% Change
Corn	155.74	152.34	2%

Meanwhile, Recent USDA report shows that 66 percent of US corn standing crop is in good to excellent condition, compared to 72 a week earlier due to lack of rainfall and dry weather affecting the new planted corn.

US Weather Forecast (One week):



According to the precipitation outlook chart, there is around 30 to 40% probability of rainfall in the main corn belt of US like Nebraska in the coming week.

US corn crop needs urgent rainfall which helps in the proper growth of corn plant. However, extended dryness in US might damage the corn plant.

Some Other major International Corn Highlights during the week are:

- US corn rose after Greece elected a new leader committed to stay in the Euro Zone which curb the fire to the Euro crisis and boosting demand for risky assets.
- US has export 4.32 lac tons corn this week which takes the overall corn export figures to 31.17 million tons in 2012.

INTERNATIONAL MAIZE OUTLOOK:

Corn prices are likely to stay range bound with firm tone as uncertainty remained over rains in US.

Maize CBOT Weekly Futures Price Listing (USD/Ton)

	Contract Month	07/6/2012	14/6/2012	Change
Corn CBOT Prices	Jul-12	233.80	236.75	2.95
	Sep-12	213.72	204.97	-8.75
	Dec-12	211.17	203.10	-8.07
	Mar-13	215.79	207.92	-7.87

CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: July Contract)

- Maize prices are moving in a broad trading range as the chart depicts.
- Prices are moving in range between 587 to 680 cents/ bushel, two consecutive close either side will give the prices a new direction.
- Increase in prices has not supported by volume and OI.

- Strategy: Markets participants should buy Corn CBOT from 601 Cents/bushel level and the target would be 618 cents/bushels for next week.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(July Contract Weekly Chart)

- Maize prices are moving in a downward channel as chart depicts.
- Prices are moving in a broad trading range between Rs 1115 to Rs 1220, two consecutive close either side will give the prices a new direction.
- **Strategy:** Buy from entry level.

Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1088	1115	1162	1200	1220

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
© 2005 Indian Agribusiness Systems Pvt Ltd.