

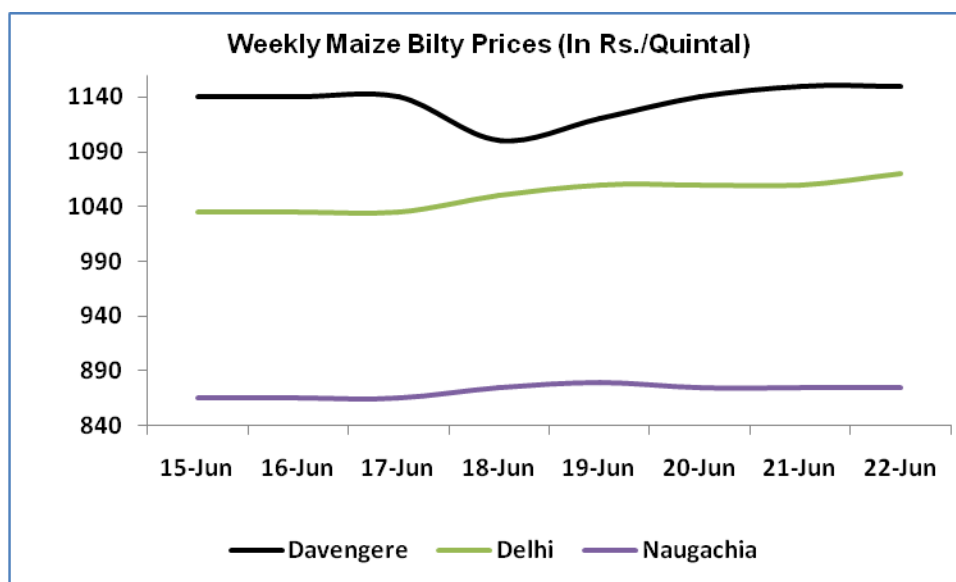
EXECUTIVE SUMMARY

Maize prices surged sharply in various maize markets during the week ended 25th June, 2012.

Declining arrivals from Bihar and firm domestic as well as export demand of Indian maize support the prices of maize in domestic markets.

Starch is in demand these days from paper industries owing to new academic sessions and schools are starting which would ultimately increase the paper use.

Maize prices are hovering at around Rs 1028 per quintal on an average on pan India basis, improved 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 (~\$285.84) improved by \$4 per ton during the week compared to the prior week as maize prices got support due to good poultry and starch industries from Southern India. Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices of maize (~\$326.03) and though getting stiff competition from Argentina (~\$281.1) and Brazil C&F (~\$269.73).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 56.75)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	231.1	214.73	266.03	251
Incl Cost and Freight (C&F)	281.1	269.73	326.03	285.84

India has exported around 2.4 million tons of maize in this marketing year till date starting in October. It is notable that Indian exporters are expected to ship around 900,000 tons of maize in the coming months. India is mainly export maize to countries like Vietnam, Malaysia and Indonesia at cheaper rates compared to US and Argentina. Recently, Feed millers from Vietnam bought 50000 tons of Indian maize at C&F \$255 per ton.

Meanwhile, Malaysia is looking for around 100000 tons of corn for September delivery. It seems lucrative opportunity for Indian exporters as prices are very much at lower levels in Bihar which could give good amount of export parity to Indian exporters.

Meanwhile, Big names in Feed Industries from South Korea and Japan are seeking corn from major exporters like Argentina, Brazil, India and Ukraine which increases the competition between major exporters. Asian corn importers prefer to buy corn from these countries instead of US due to parity advantage. Corn exports from US is declining week on week basis due to increasing corn prices in CBOT due to dryness in corn fields which damage the crop.

Malaysian Markets – Indian exporters have sold at USD 240 PMT CFR Malaysia Port Klang and Port Penang due to improvement in local maize prices.

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 Nizamabad market in AP during the week ended 25th June 2012 due to end of maize arrivals in the market.

Meanwhile, around 25% stock of maize still left in Nizamabad as reported. Traders are holding around 10 lac tons of maize stocks left in AP out of which 1.5 lac tons of maize left with traders in Nizamabad till date as reported.

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 0.03 lac hectares till 20th June 2012 lower than last year ~0.53 lac hectares. Only 1% sowing has completed in AP till date due to lack of rainfall which discourage the farmers.

	2012	2011	Normal (as on date)	Normal (Season)
Area Sown (In Lac hectares)	0.03	0.53	0.83	4.99

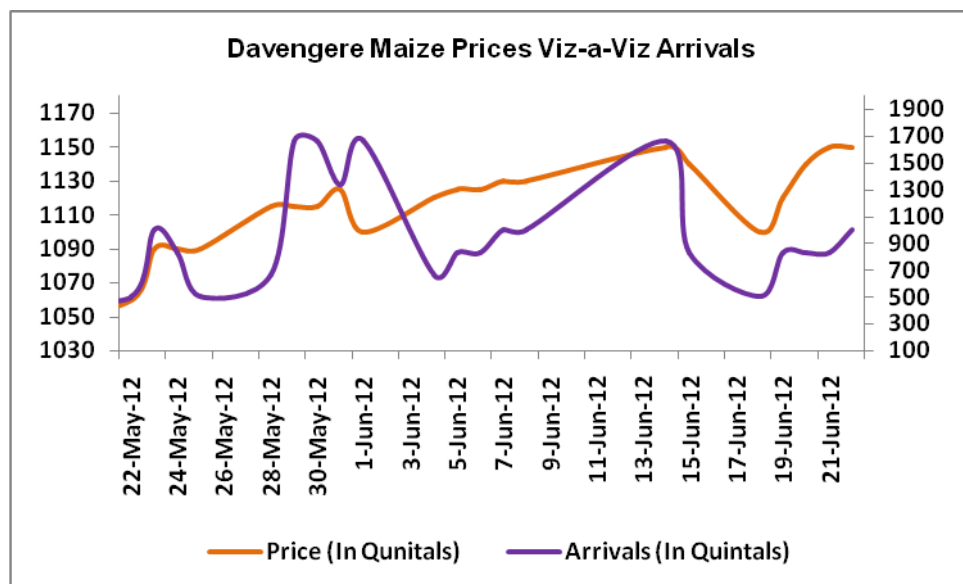
Note: Sowing Figures as on 20th June 2012

Karnataka: Prices have improved in Davangere market compared to the previous week. Good demand from Poultry and starch industries drive the prices upwards.

Recently, domestic poultry feed buyers like Sugana and VHL bought maize from Davangere at Rs 1330 Bangalore delivery by road. Around 70 trucks of maize (15 tons each) moved from Davangere as reported.

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

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.

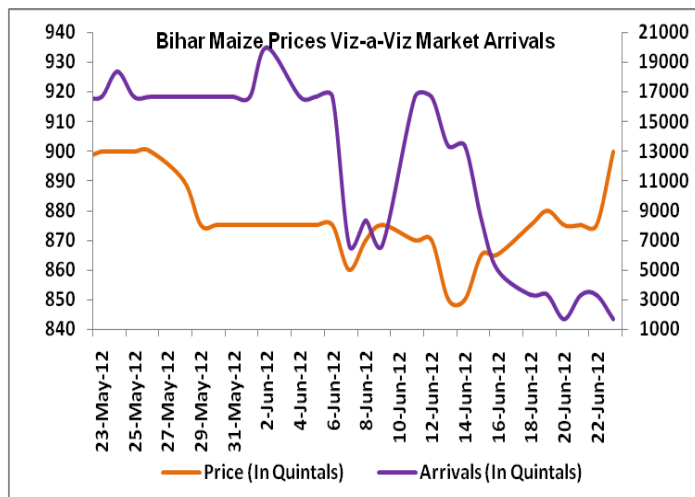


Meanwhile, dull trading activity recorded in Koppal as stocks of maize are negligible which kept the prices steady at present.

Bihar: Maize prices improved in various markets of Bihar during the week ended 25th June 2012. Moderate demand and lower arrival pressure kept the prices at higher side during the week.

Meanwhile, prices in Naugachia market stabilize at present due to decline in arrivals. Farmers are holding maize stocks at present. Also, scattered rainfall in various maize growing region in Bihar raise a concern of increase in moisture content and fungus in maize.

Rake loading restricted from Bihar to all



routes due to traffic congestion at Khurja line which support the prices in Delhi as well as in Southern markets.

Around 40% maize stocks still left with farmers and traders in Bihar till date as reported. However, late sown corn crop is still due to arrive in the market till August.

In Delhi market, Prices of maize improved in Delhi market during the week due to firm demand from Poultry sector.

There are arrivals of maize from Bihar and U.P. in the northern centers. Arrivals of 250-300 quintals of maize are reported from Uttar Pradesh in Delhi.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	12600	-	-
Kolkata	10700-10800		
Tirupur/Namakkal	12600 Karnataka Origin	12800 – Bihar 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 KHARIF SOWING UPDATE:

As per Agriwatch sources, around 20-25 lac hectares of maize and bajra acreage is going to shift towards guar. Last year, maize and bajra acreage was 65 lac hectares in Rajasthan as reported.

Maize acreage is likely to shift towards soyabean due to high remuneration in soyabean compared to maize. In addition to it, farmers haven't got remunerative prices in off seasons which discourage the growers.

In addition to it, acreage of Tur is likely to shift towards Maize in Jalna district in Maharashtra this year owing to delayed monsoon.

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	22 th , June, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1070	1035	1130	1325	1140
Davangere	Bilty	1150	1140	1060	1140	1255
Naugachia	Bilty	875	865	900	1050	980
Nizamabad	Bilty	1135	1050	1100	1180	1270
Khagariya	Bilty	870	900	950	1200	-
Ahmedabad	Feed	1225	1170	1180	1230	1300
	Starch	1225	1180	1200	1310	1250

DOMESTIC MAIZE OUTLOOK:

Maize prices are likely to continue its bull run especially in Southern India markets due to strong maize demand from Poultry and Starch industries.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

International Maize prices surged in most of the Corn CBOT contracts during the week ended 25th June 2012 as extended dry weather in US make the things more difficult for corn growers as dryness at this stage of corn damaging the crop.

Meanwhile, Last week 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.

Some Other major International Corn Highlights during the week are:

- Ukraine corn exports shows a considerable increase this year with around 9 million tons of corn exports already reported by Ukraine to various destinations like North Africa, Middle East and Europe. USDA projects around 14 million tons of corn exports from Ukraine for 2011-12.
- Drought hits corn crop in Argentina affecting corn yield. Argentina is the 5th biggest corn grower after US, China, Brazil and EU-27 and also contributes 3% of the world's total corn production. Major consuming countries are already eying over south American corn producing nations to buy corn due to lesser corn prices compared to US.
- US corn enters in the pollination phase which requires cool and wet weather conditions. However, forecasts for high temperature and little widespread rainfall would be a concern for standing crop.
- Informa Economics raised its US corn planting estimate for 2012-13 to 96.759 million acres from its previous forecast of 96.124 million acres.
- USDA downgrade in good to excellent corn crop condition to 63 percent this week down from 66 percent owing to extended dryness in major US corn growing belt.
- Israel private buyers has issued a tender to buy 45000 tons of corn from South America or Europe.
- Rosaria Grains exchange held its Argentina corn production outlook at 19 million tons for 2012-13.

INTERNATIONAL MAIZE OUTLOOK:

Corn prices likely to surge considering damaged US corn crop from unfavorable weather and firm demand from major importers like Korea and Japan. Also, tight stock position in US support the prices of corn in CBOT for short term as expected.

Maize CBOT Weekly Futures Price Listing (USD/Ton)

	Contract Month	14/6/2012	21/6/2012	Change
Corn CBOT Prices	Jul-12	601.50	586.5	-15
	Sep-12	520.75	550.25	29.5
	Dec-12	516.00	550	34
	Mar-13	528.25	561	32.75

CBOT MAIZE FUTURES OUTLOOK:



- Maize prices have recently breach falling channel and moving upwards as chart depicts.
- Prices are likely to move in a broad trading range between 506 to 635 cents/ bushel, two consecutive close either side will give the prices a new direction.
- Increase in prices has supported by volume and OI.
- Strategy: **Markets participants should buy Corn CBOT from 600 Cents/bushel level and the target would be 624 cents/bushels for next week.**

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(August Contract Weekly Chart)

- Maize prices are moving upwards as chart depicts.
- Last candlestick pattern suggests further bullishness in the prices.
- Prices had recently breach 50% retracement level which gives clear signal of breakout which indicates that prices would move up further in the coming week.
- RSI is moving up near to neutral region from oversold region.
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- **Strategy:** Buy from entry level.

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1252	1276	1290	1355	-

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