

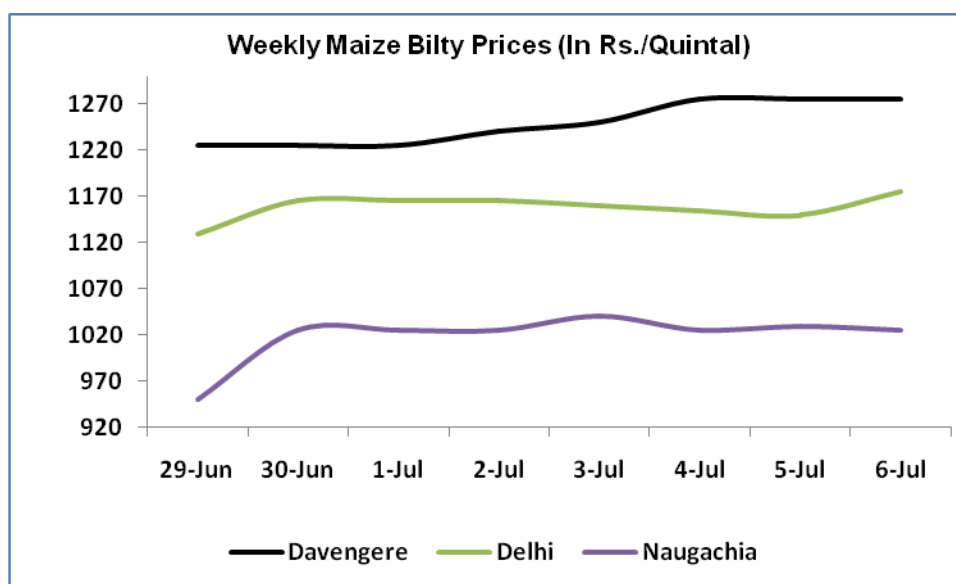
EXECUTIVE SUMMARY

Maize prices surged sharply in various maize markets during the week ended 09th July, 2012.

Maize prices are continuously moving upwards in key spot markets due to firm spot demand from Poultry and Starch Industries and fewer arrivals of maize from Bihar as farmers and traders are holding stocks in anticipation of increase in prices.

Also, firm international sentiments and continuous depreciation of rupee get the Indian exporters in to the competition against major exporters like US, Brazil and Argentina. Presently, Indian maize FOB prices are hovering at \$281 per ton (Davengere Origin).

Maize prices are hovering at around Rs 1222 per quintal on an average on pan India basis, improved by around 7% compared to last week.



ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$316.25) improved by \$10 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 (~\$388.20) and though getting stiff competition from Argentina (~\$321.16) and Brazil C&F (~\$324.8).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.95)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	271.16	269.8	328.2	281
Incl Cost and Freight (C&F)	321.16	324.8	388.20	316.25

India has exported around 3 million tons of maize in this marketing year till date starting in October.

Maize Export market is quite at present. Lower quantity of maize available for exports as most of the corn is holding by stockists as reported.

Meanwhile, rising corn prices in US give opportunity to Brazil exporters to rush towards US which would increase the corn prices in Brazil in the coming week.

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 09th July 2012 due to end of maize arrivals in the market.

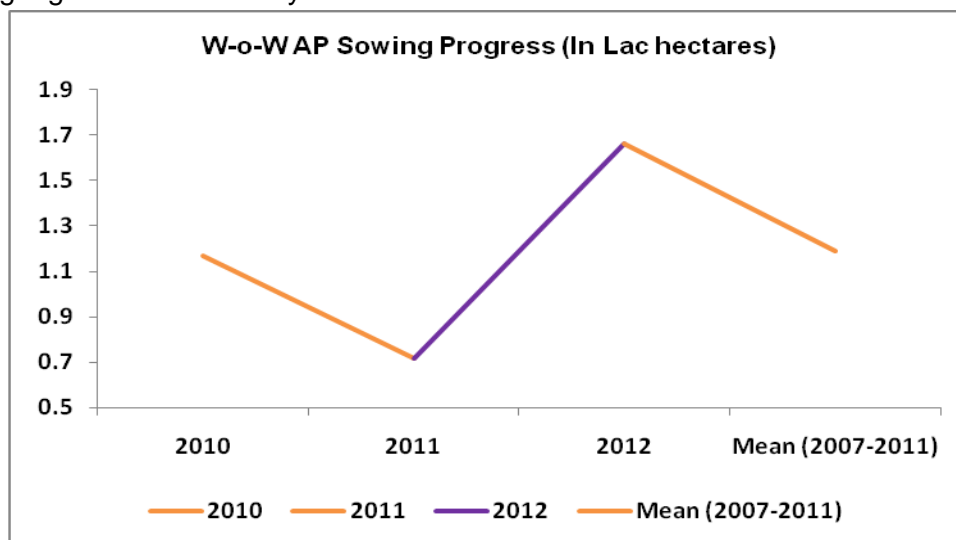
Meanwhile, around 25% stock of maize still left in Nizamabad as reported. Traders are holding around 10 lac tons of maize stocks left in AP out of which 1.5 lac tons of maize left with traders in Nizamabad till date as reported.

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 1.66 lac hectares till 4th July 2012 higher than last year ~0.92 lac hectares maize sowed at same period but lower compared to normal sown area as on date ~2.17 lac hectares. Around 33% sowing has completed in AP till date, according to Government of AP.

	2012	2011	Normal (as on date)	Normal (Season)
Area Sown (In Lac hectares)	1.66	0.92	2.17	4.99

Note: Sowing Figures as on 4th July 2012

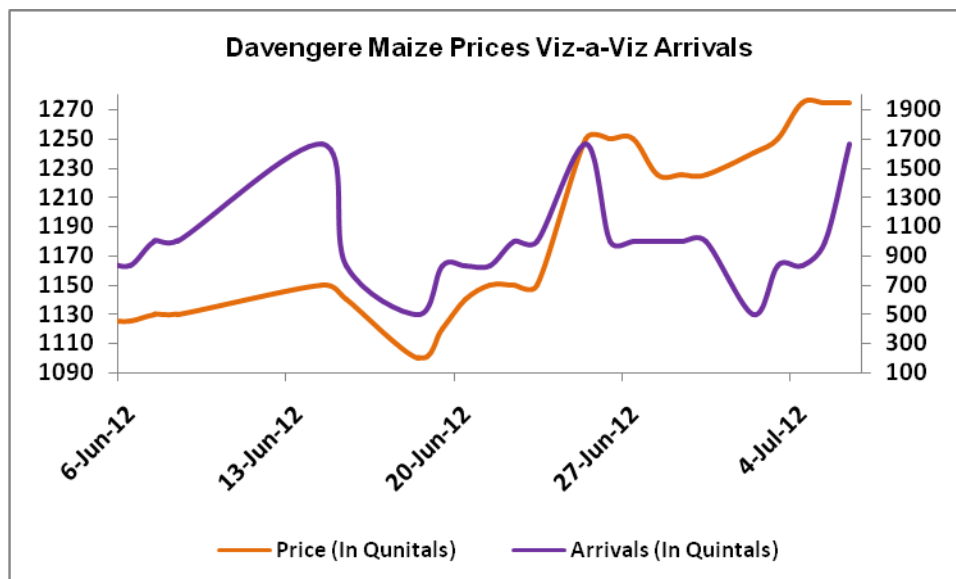


Karnataka: Prices have improved in Davangere market compared to the previous week. Good demand from domestic Poultry and starch industries drive the prices upwards.

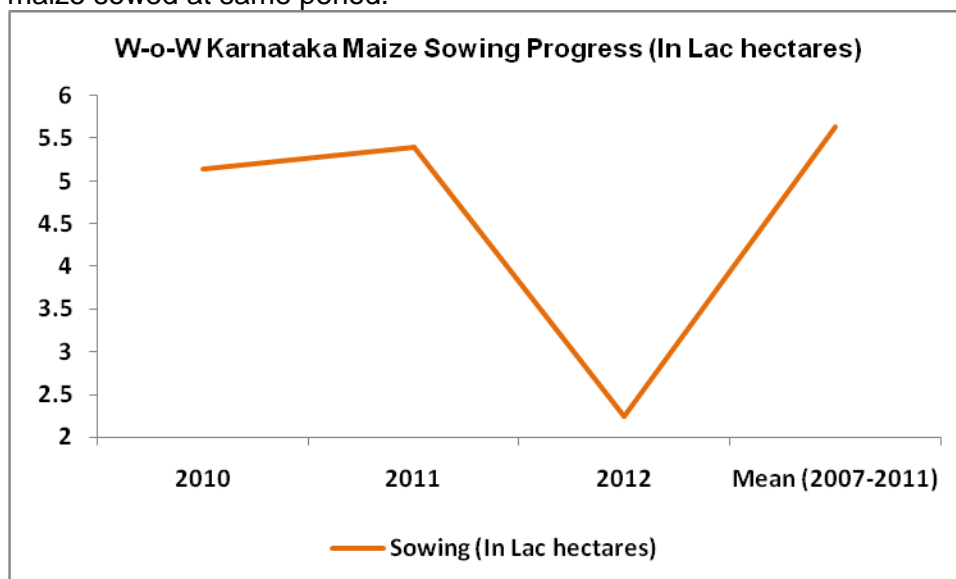
Reportedly, around 12000 tons of maize (Bihar Origin) delivered to Southern markets.

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

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

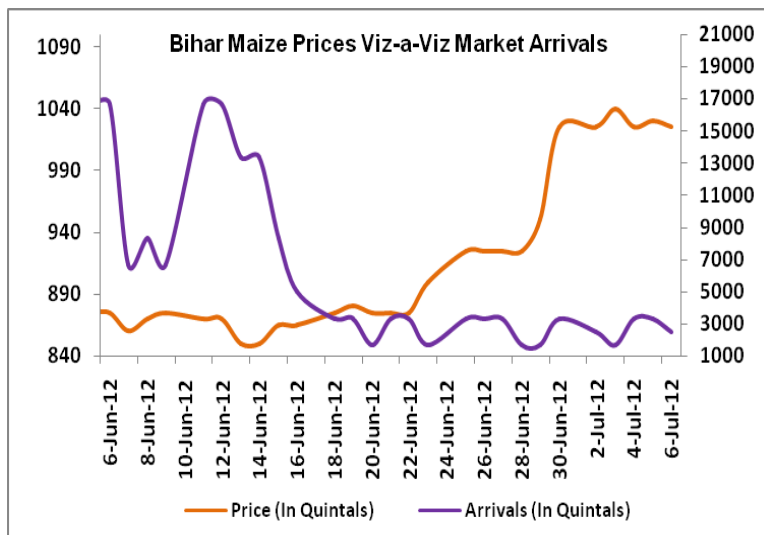


As far as sowing of maize is concerned, it is way behind last year sowing figures owing to lack of rainfall. Farmers have planted maize in 2.25 lac hectares till 4th July 2012 lower than last year ~5.4 lac hectares maize sowed at same period.



Bihar: Maize prices improved in various markets of Bihar during the week ended 9th July 2012. Moderate demand and lower arrival 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.



Around 30% 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 700-1000 quintals of maize are reported from Uttar Pradesh in Delhi.

Presently, Zaid maize crop is arriving in Delhi market from UP which contributes very less acreage. Meanwhile, Farmers would start harvest maize kharif crop after August in UP which might ease the prices of maize in Delhi market as expected.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

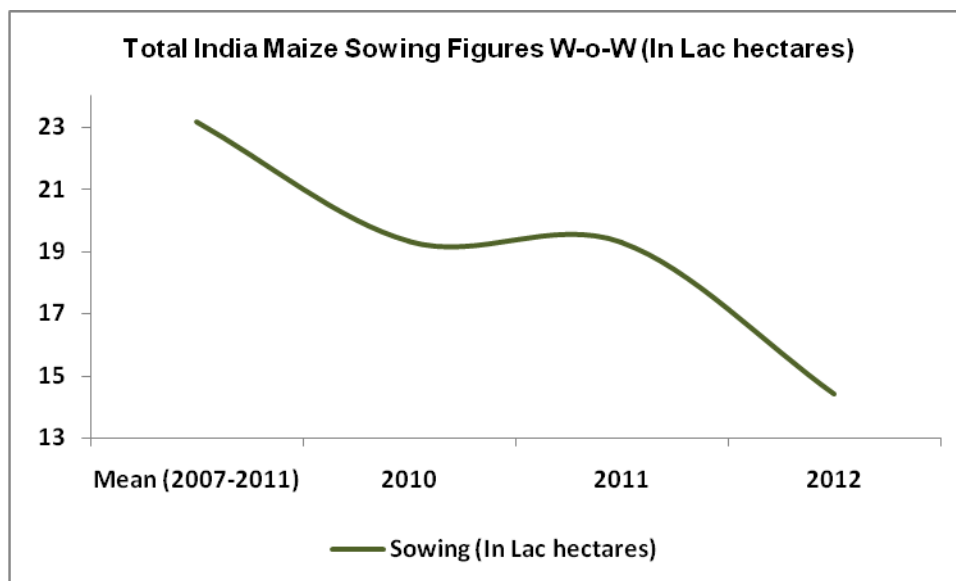
Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	13700-13800	-	-
Kolkata	12500		
Tirupur/Namakkal	13750 (Karnataka Origin)	12750 – Bihar Origin	
Kakinada	-	No Reports	-

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

Buyer	Purchase Prices (Rs/MT)
SKM Feeds, Namakkal	13600
Suguna Udumalpet	13750
-	-

MAIZE KHARIF SOWING UPDATE:

Maize sowing in India as on 4th July was 14.43 lakh hectares compared to 19.28 lakh hectares last year at the same time. Delayed sowing in Karnataka and UP due to lack of rainfall was the major reason for overall declined in sowing of maize overall this week.



MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	06 th , July, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1175	1160	1050	1170	1120
Davangere	Bilty	1275	1225	1125	1100	1200
Naugachia	Bilty	1025	950	875	900	1000
Nizamabad	Bilty	-	1225	1080	1130	1280
Ahmedabad	Feed	1270	1250	1150	1180	1240
	Starch	1325	1285	1150	1240	1280

DOMESTIC MAIZE OUTLOOK:

Maize prices moving upwards in spot markets taking cues from strong demand from poultry and starch industries and firm international sentiments.

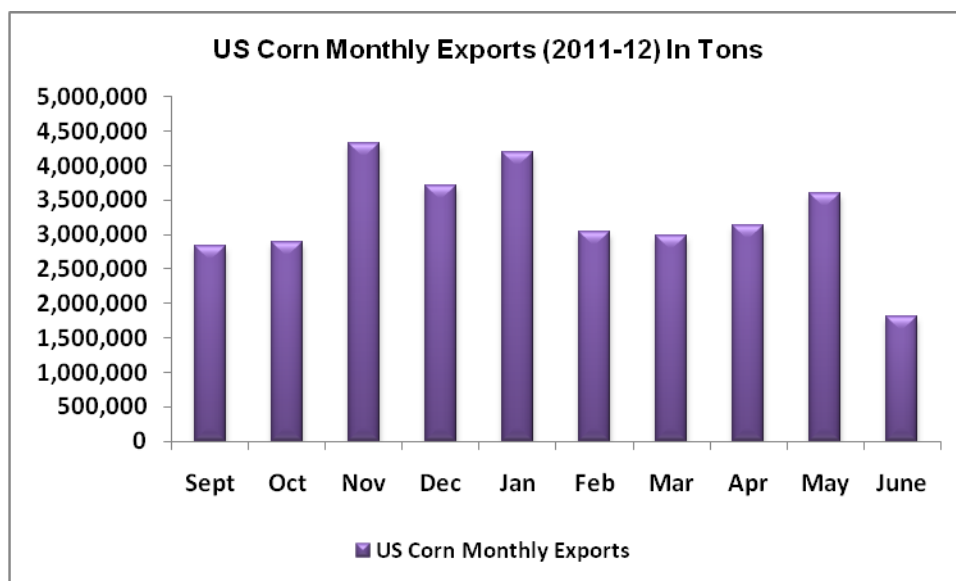
INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

International Maize prices surged in most of the Corn CBOT contracts during the week ended 09th July 2012 as extended dry weather in US damage the corn crop. In addition to it, lower US corn quarterly stocks compared to last year support the corn prices in CBOT.

USDA report shows that 48 percent of US corn standing crop is in good to excellent condition, compared to 56 a week earlier due to lack of rainfall and dry weather affecting the new planted corn. Majorly, corn crop condition affected in states like Missouri, Indiana and Illinois.

Recently, USDA increases its corn planting estimates for 2012-13 by 5 percent to 96.4 million acres from 2011. Farmers are expecting corn to be most remunerative crop compared to other crops which results in corn acreage for 2012-13 which is the largest area where corn sowed in eight decades.

Meanwhile, US Corn stocks stood at 3.15 billion bushels till 1 June 2012 down by 14 percent Y-o-Y. Out of total stocks, 1.48 billion bushels are stored on farms, down by 12 percent from a year earlier. Off farms stocks stood at 1.67 billion bushels compared to 2.85 billion bushels during the same period last year.



Meanwhile, around 32.55 million tons of US corn exported in this MY 2011-12 till 21st June 2012. Concern over US corn crop impact on M-o-M decline in US corn exports.

Meanwhile, Recent IGC report proves bullish for corn markets as increase in consumption by 0.9% and trade by 1% change market the sentiments. US Corn is already suffering from drought like situations which damaging the standing corn crop.

IGC recently raised global corn production estimate to 917 million tons for 2012-13 in its June report from 913 million tons estimate last month. Good corn planting figures came from US and Ukraine urge them to raised their global corn production estimates by 5.6% Y-oY.

Out of 917 million tons, US are likely to produce 350 million tons of corn down by 5 million tons from last month owing to projected yields now likely to be below ten year trend due to lack of rainfall.

However, corn use in feed is likely to increase by 6% owing to increasing meat consumption. World Carryover stocks up for 2012-13 compared to 2011-12 after three years of consecutive downfall.

	2011-12 est.	2012-13 (Forecast)			
		May-12	June-12	% Change MOM	%Change YOY
Production	868	913	917	0.4%	5.6%
Trade	94	102	103	1.0%	9.6%
Consumption	871	902	910	0.9%	4.5%
Carryover stocks	129	141	137	-2.8%	6.2%
YOY Change	-4		+8		

Meanwhile, International Maize prices surged sharply during the month ended June 2012. Extended dryness in major US corn belt hurting corn crop support the prices of corn in CBOT.

Some Other major International Corn Highlights during the week are:

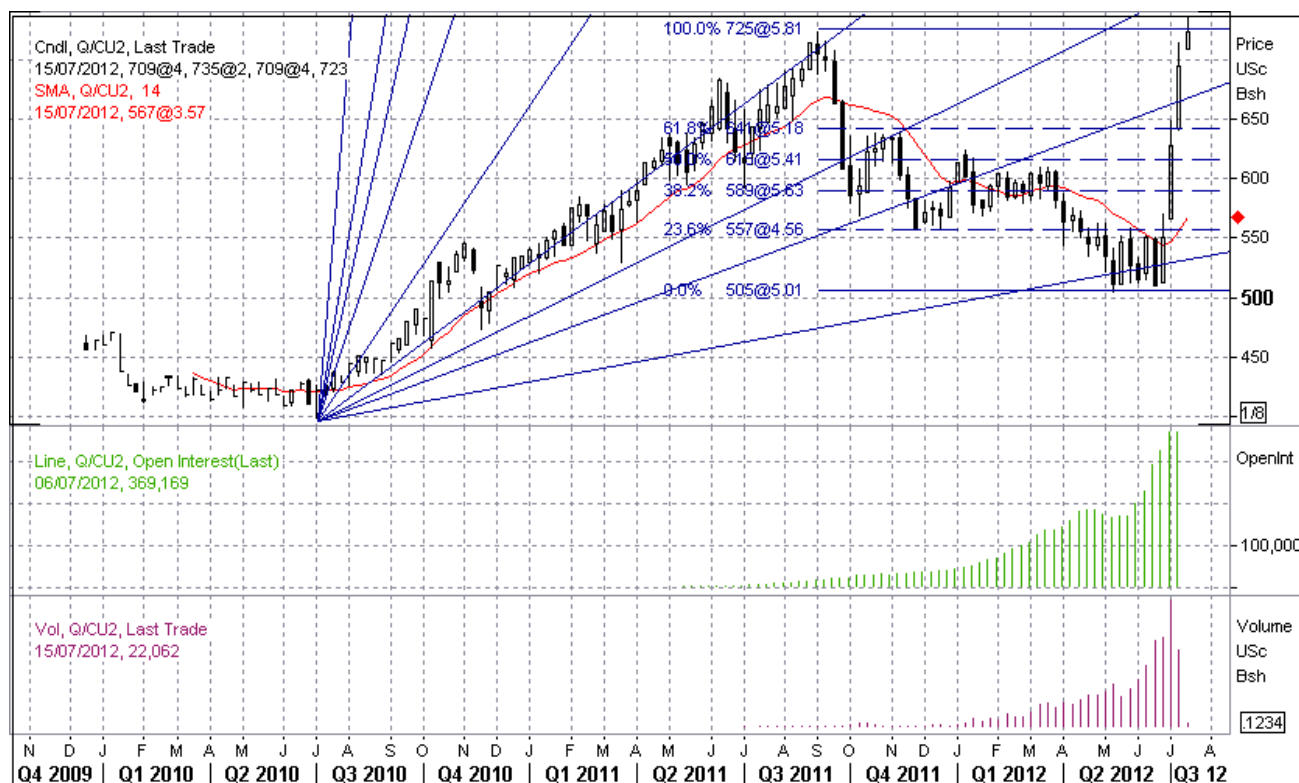
- According to market sources, U.S yield for corn 2012 has been revised down to 153.5 bushels per acre from its previous figure of 154.9 in late June due to hot and dry weather condition
- Argentina corn harvest slowed down due to high moisture. Argentina is likely to produce 20.1 million tons of corn for 2011-12.

INTERNATIONAL MAIZE OUTLOOK:

Corn prices are continuously surging over drought like conditions in US damaging US corn crop 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	28/6/2012	05/7/2012	Change
Corn CBOT Prices	Jul-12	256.63	302.28	45.65
	Sep-12	246.49	278.96	32.47
	Dec-12	248.85	278.87	30.02
	Mar-13	252.40	281.72	29.32

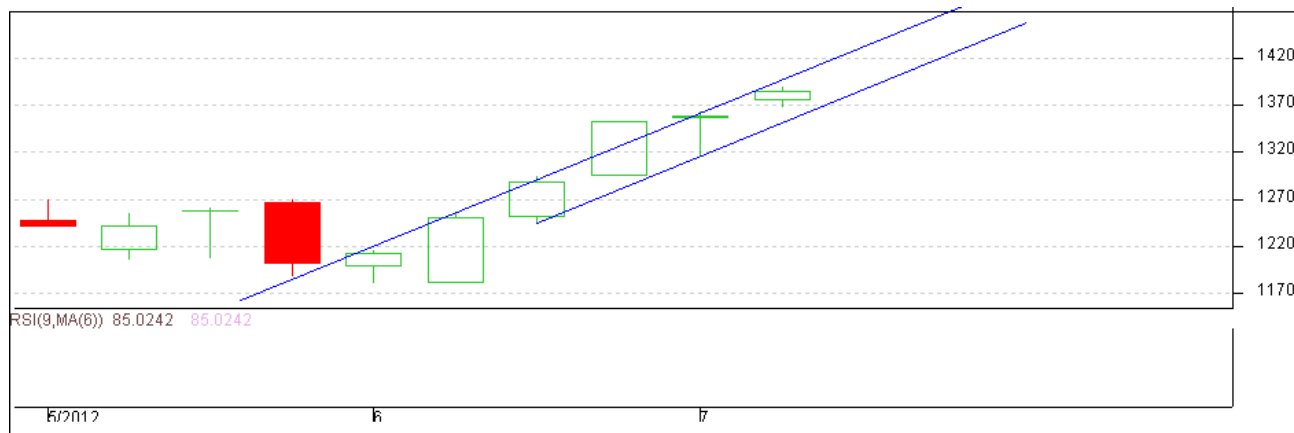
CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: Sept Contract)

- Maize prices have recently breach falling channel and moving upwards as chart depicts.
- Prices are moving in a broad trading range between 506 to 725 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 725 Cents/bushel level and the target would be 760 cents/bushels for next week.**

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(September Contract Weekly Chart)

- Maize prices are moving upwards in a broad upward channel as chart depicts.
- Prices are likely to test Rs. 1411 level from where selling might occur.
- RSI is moving up near to neutral region.
- **Strategy:** Buy from entry level.

Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1270	1325	1378	1411	1480

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