

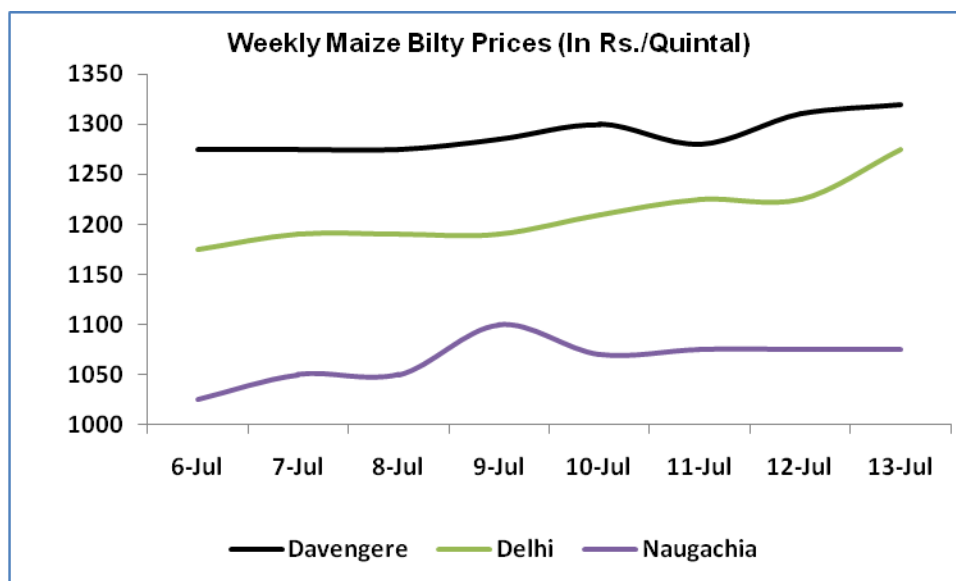
EXECUTIVE SUMMARY

Maize prices surged sharply in various maize markets during the week ended 16th July, 2012.

Firm spot demand from Poultry and Starch Industries and fewer arrivals of maize in sourcing markets as farmers and traders are holding stocks in anticipation of increase in prices.

Rising maize prices drag the wheat and barley prices upwards as feed industry will continue to use corn as main ingredients amid wheat prices are still ruling higher compared to maize prices. However, wheat and maize prices are moving neck to neck and there is no possibility of shifting any users from maize to wheat or wheat to maize.

Maize prices are hovering at around Rs 1259 per quintal on an average on pan India basis, improved by around 3% compared to last week.



ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$340.84) improved by \$24 per ton during the week compared to the prior week as maize prices got support due to good poultry and starch industries.

Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices of maize (~\$385.30) and though getting stiff competition from Argentina (~\$329.04) and Brazil C&F (~\$323).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.00)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	279.04	268	325.3	306
Incl Cost and Freight (C&F)	329.04	323	385.30	340.84

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.

Asian corn buyers seems not interested in buying corn and postponed tenders due to recent surge in corn prices in CBOT owing to corn crop concerns in US. However, some Vietnam millers are seeking corn as they are out of stock at present. It is notable that Vietnam is the traditional buyer of Indian corn which is offering lower quotes compared to Argentina, US and Brazil.

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 16th July 2012 due to end of maize arrivals in the market.

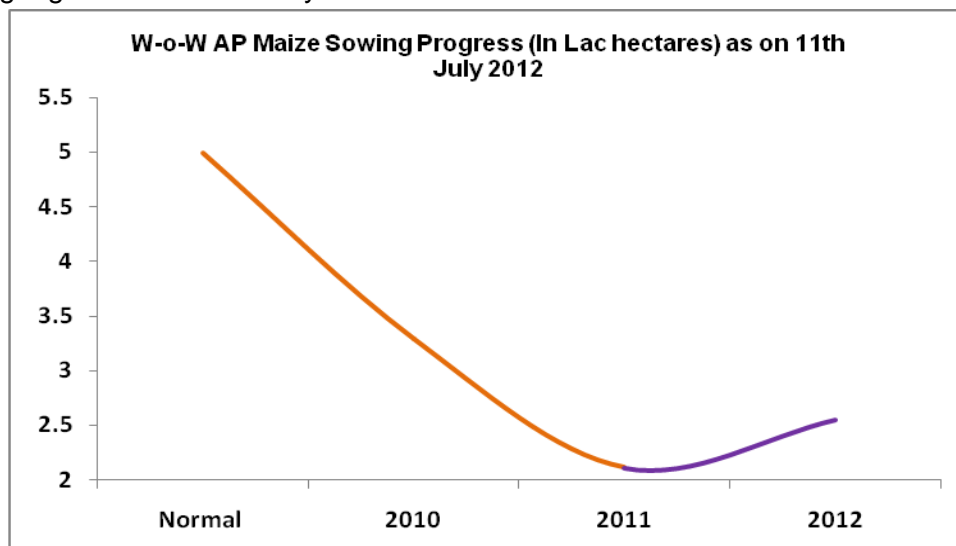
Meanwhile, around 25% stock of maize still left in Nizamabad as reported. Traders are holding around 10 lac tons of maize stocks left in AP out of which 1.5 lac tons of maize left with traders in Nizamabad till date as reported.

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: Farmers have planted maize in 2.55 lac hectares in AP till 11th July 2012 that is higher than last year ~2.11 lac hectares maize sowed at same period but lower compared to normal sown area as on date ~2.87 lac hectares. Around 51% sowing has completed in AP till date.

	2012	2011	Normal (as on date)	Normal (Season)
Area Sown (In Lac hectares)	2.55	2.11	2.87	4.99

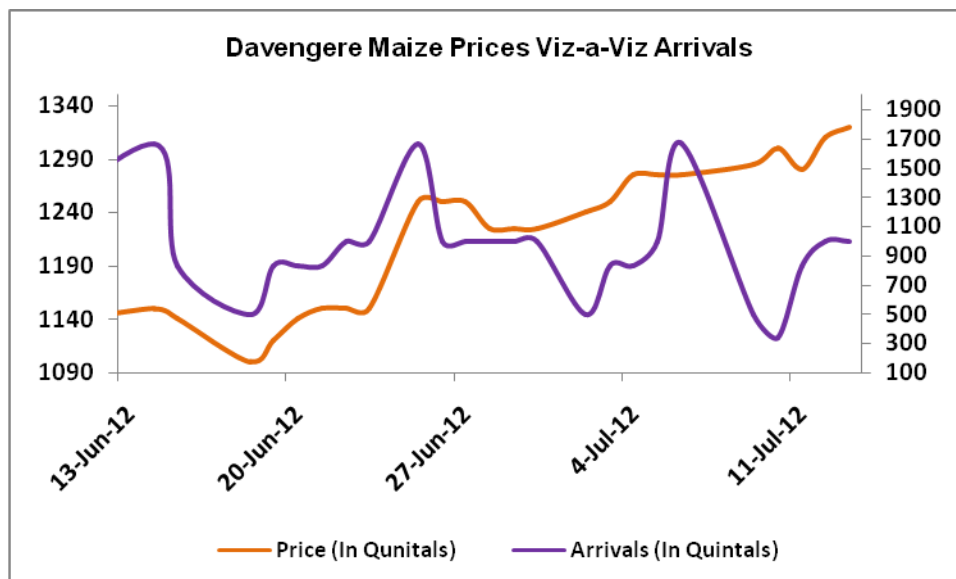
Note: Sowing Figures as on 11th July 2012



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

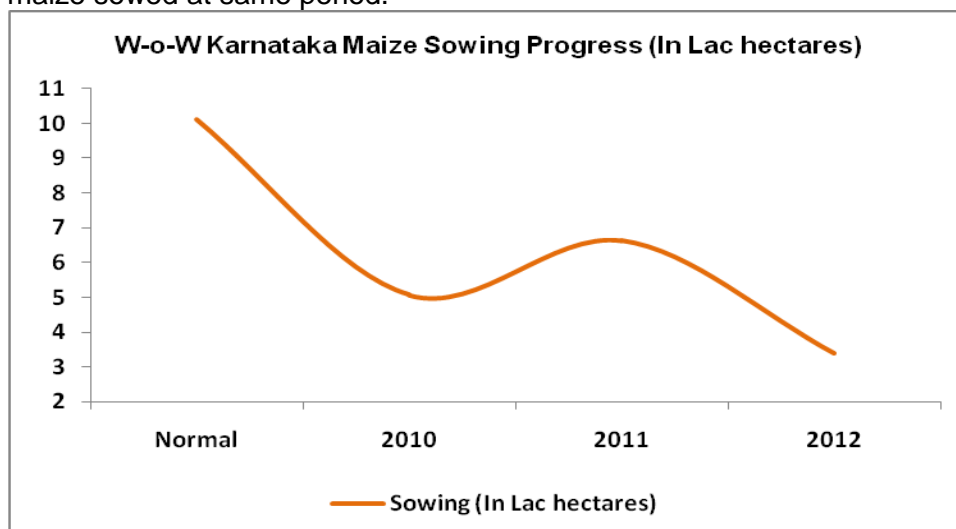
Maize is moving by roads from Davangere to Bangalore at FOR 1450 per quintal. Also, Karnataka maize delivered to Erode market is quoted at Rs 1500 per quintal FOR. Around 100 trucks of maize is moved from Davangere daily towards various consumption centers.

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



Karnataka stockists are starting liquidating maize stock at higher levels which is indicating from increase in arrivals in Karnataka markets. It is notable that around 20% maize stock still hold by traders in Karnataka as reported.

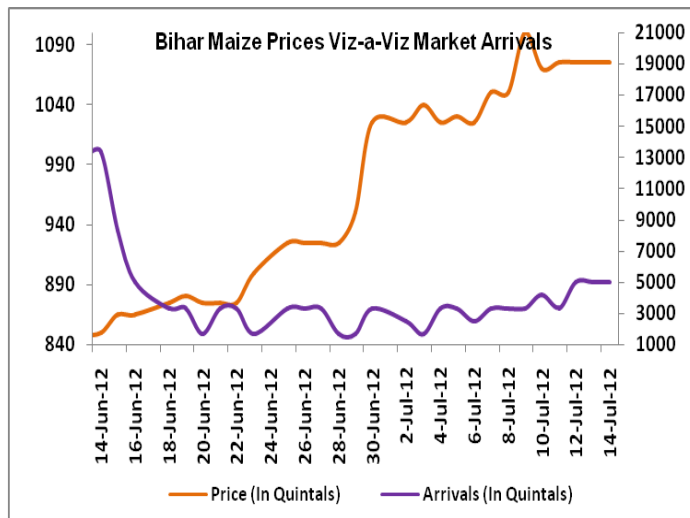
As far as sowing of maize is concerned, it is way behind last year sowing figures owing to lack of rainfall. Farmers have planted maize in 2.25 lac hectares till 4th July 2012 lower than last year ~5.4 lac hectares maize sowed at same period.



Bihar: Maize prices improved in various markets of Bihar during the week ended 16th July 2012. Moderate demand and lower arrival due to maize stock holding by traders and farmers support the prices 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 15-20% 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.

Punjab Market: Prices of maize surged in various markets in Punjab owing to depleting maize stocks and firm export demand of maize. It is noticeable that maize is moving from Punjab towards Mundra and kandla port.

There are fewer maize stock left in Punjab which is going to arrive in the coming week as expected.

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 2000-2700 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.

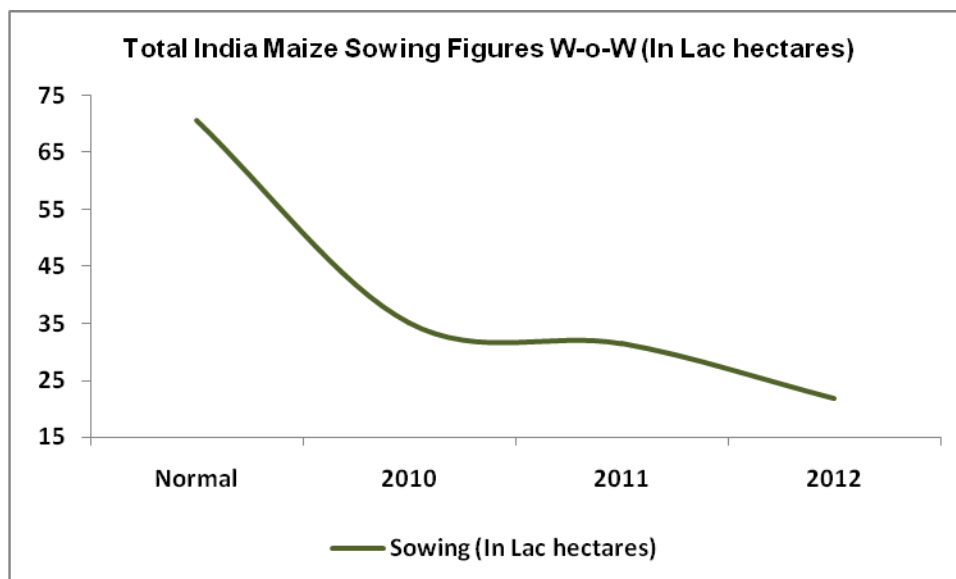
BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Chennai	-	-	-
Kolkata	-		
Bangalore	14500 (Karnataka Origin)		
Erode	15000		

	(Karnataka Origin)		
Tirupur/Namakkal	-	-	
Kakinada	-	No Reports	-

MAIZE KHARIF SOWING UPDATE:

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 21.76 lac hectares till 13th July 2012 lower than last year ~31.38 lac hectares maize sowed at same period. Major decline in maize acreage witnessed in states like Karnataka, Rajasthan, UP and Bihar compared to last year.



MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	13 th , July, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1275	1175	1000	1175	1135
Davangere	Bilty	1320	1275	1120	1100	1200
Naugachia	Bilty	1075	1025	850	925	1000
Nizamabad	Bilty	1294	1274	1050	1120	1290
Khagariya	Bilty	1150	-	900	960	-
Ahmedabad	Feed	1350	1270	1150	1180	1250

	Starch	1400	1325	1160	1220	1240
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DOMESTIC MAIZE OUTLOOK:

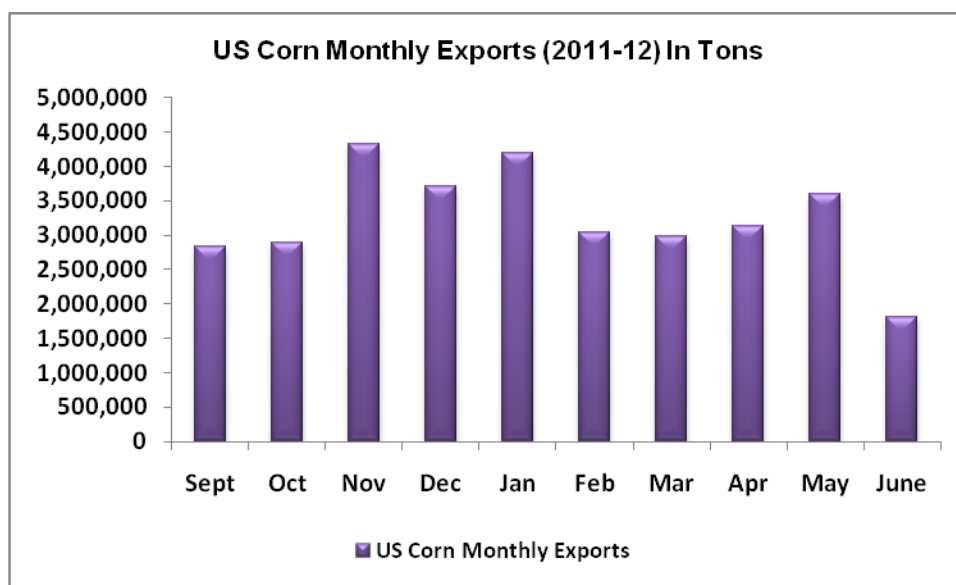
Maize prices seems bullish in medium to long term considering firm demand and lower maize stocks. In addition to it, delayed sowing and kharif maize harvesting future prospects likely to take the prices to new high.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

International Maize prices surged in most of the Corn CBOT contracts during the week ended 16th July 2012 as extended dry weather in US damage the corn crop. Corn farmers are now cutting their fields in US to feed their cattles as growing corn prices increase the costing to farmers.

Farmers are now losing hopes and trying to feed their cattles with underdeveloped corn kernels.

USDA report shows that 40 percent of US corn standing crop is in good to excellent condition, compared to 48 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.



Meanwhile, US corn export reached to 33.80 million tons in 2011-12 season. However, US export of corn shrinking w-o-w owing to worst drought in US which dampens the record corn crop prospects in US for 2012-13.

Meanwhile, International Maize prices surged sharply during the week 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:

- Recently, UAE bought 20000 tons of corn from Argentina, according to news reported in Reuters.
- USDA slashed US corn production forecast to 12.9 billion bushels from 14.79 billion bushels forecasted by USDA in June 2012. Extended dry season in US damaging corn crop.
- China harvested 192.8 million tons of corn in 2011 which is 1 million tons more than previous estimate, according to China National Grains and Oils information Center.
- Ukraine Agriculture ministry downgrade its corn production estimate down by 8% to 23 to 24 million tons owing to hot weather conditions damaging corn yield by 5 tons per hectares.
- Rising corn prices in US give opportunity to Brazil exporters to rush towards US.
- 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.

INTERNATIONAL MAIZE OUTLOOK:

Corn prices seems bullish in CBOT considering lower US corn inventory which Increased supply concern of corn among major importers of corn like Japan and China which are expected to import 16 million tons and 8 million tons respectively in 2012-13.

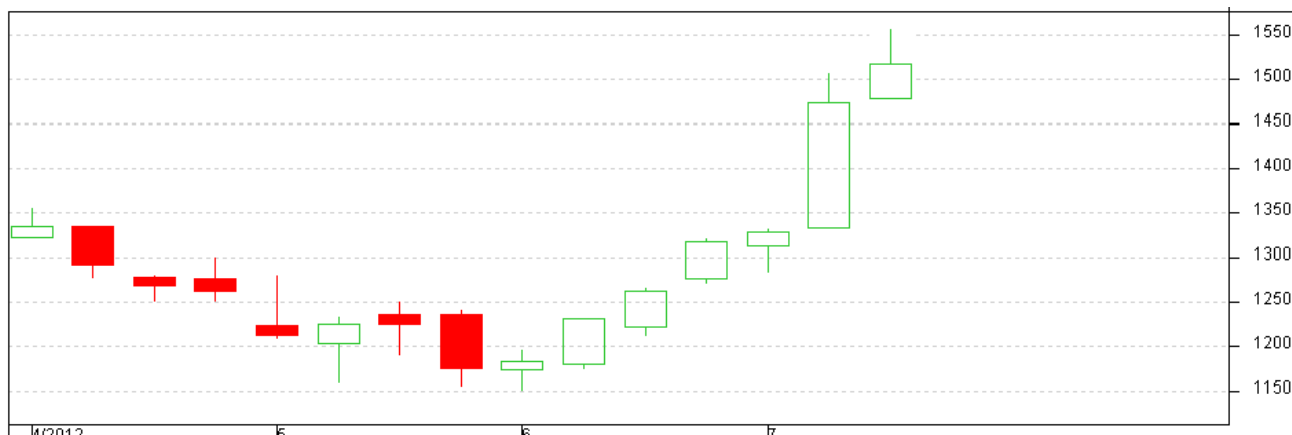
Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	05/7/2012	12/7/2012	Change
Corn CBOT Prices	Jul-12	302.28	303.56	1.28
	Sep-12	278.96	287.82	8.86
	Dec-12	278.87	288.21	9.34
	Mar-13	281.72	289.10	7.38

CBOT MAIZE FUTURES OUTLOOK:



- Maize prices have in an uptrend as chart depicts.
- Prices have breach broad trading range between 506 to 725 cents/ bushel, and likely to test its next resistance level i.e. 858 cents per bushels which also lying over 161.8% retracement levels.
- Increase in prices has supported by volume and OI.
- Strategy: **Markets participants should buy Corn CBOT from 780 Cents/bushel level and the target would be 858 cents/bushels for next week.**

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(August Contract Weekly Chart)

- Maize prices are moving upwards in a broad upward channel as chart depicts.
- Prices are likely to test Rs. 1550 level from where selling might occur.
- RSI is moving up at overbought region.
- **Strategy:** Buy from entry level.

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1411	1480	1516	1550	1680

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