

EXECUTIVE SUMMARY

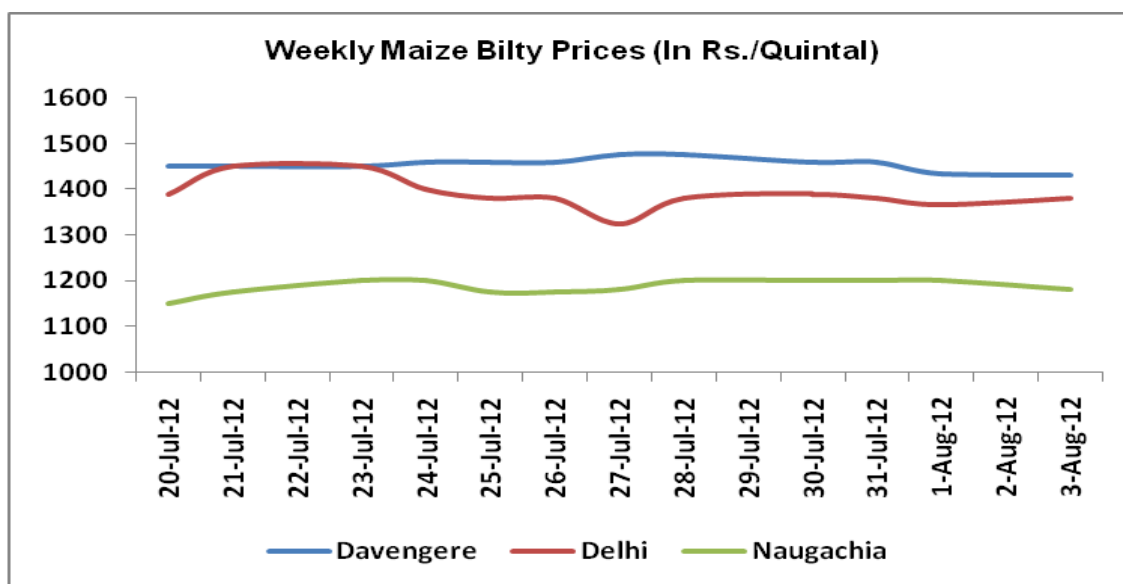
Mixed tone witnessed in various maize markets during the week ended 3rd August 2012.

Average spot demand from Poultry and Starch Industries weighted in the markets. Prices trended in mixed tone due to patchy demand. On other hand, Poultry industries from Southern region feel the heat of rising corn prices and trying to shift towards wheat as a feed ingredient.

Agriculture ministry declined maize production estimate for 2011-12 to 16.22 million tons in its 4th advanced estimate which is slightly up from the third advance estimate to 16.64 million tons.

Maize prices are hovering at around Rs 1343 per quintal on an average on pan India basis.

Below table shows weekly average price movements:-



ON THE EXPORT FRONT:

Indian C&F Maize prices (~\$340) declined by \$12 per ton during the week compared to the prior week as maize prices comparatively lower demand.

Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$396.20) and Argentina Maize C & F prices (355.61) and though getting stiff competition from Brazil C&F (~\$329).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.00)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	305.31	274	336.2	305
Cost and Freight	355.31	329	396.20	340.05

India is likely to export 3.5 million tons of maize in 2011-12. Indian maize FOB prices quoted at \$300 per ton compared to Latin American maize FOB prices quoted at \$330-340 per ton.

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.

CURRENT MARKET DYNAMICS:

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

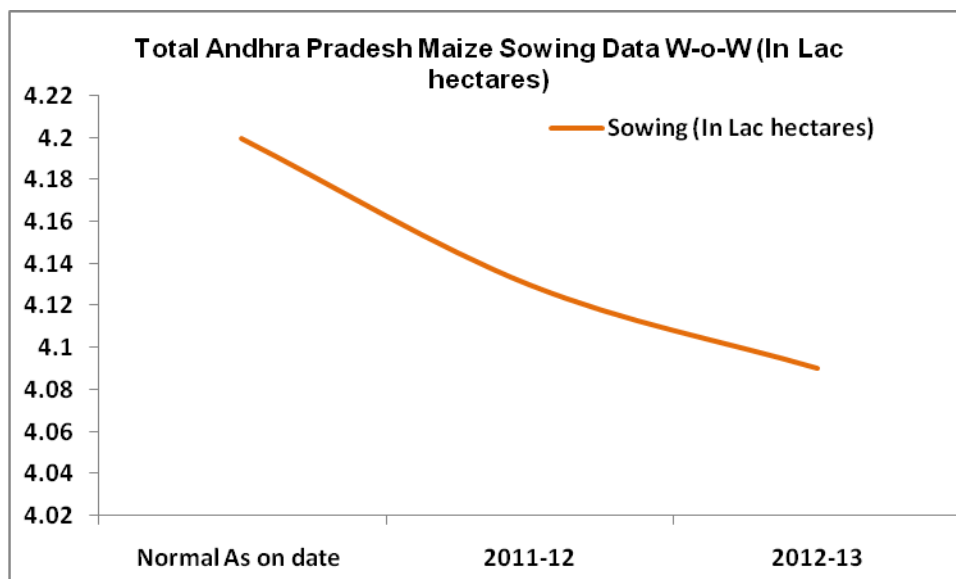
Andhra Pradesh: Maize prices were improved in Nizamabad market in AP during the week ended 3rd August 2012 due to end of maize arrivals in the market.

Meanwhile, around 15% stock of maize still left in Nizamabad as reported. 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 4.57 lakh hectares in AP till 01st August 2012 that is higher than last year 4.09 lakh hectares maize sowed at same period.

	2012	2011	Normal (as on date)	Normal (Season)
Area Sown (In Lac hectares)	4.57	4.09	3.85	4.99

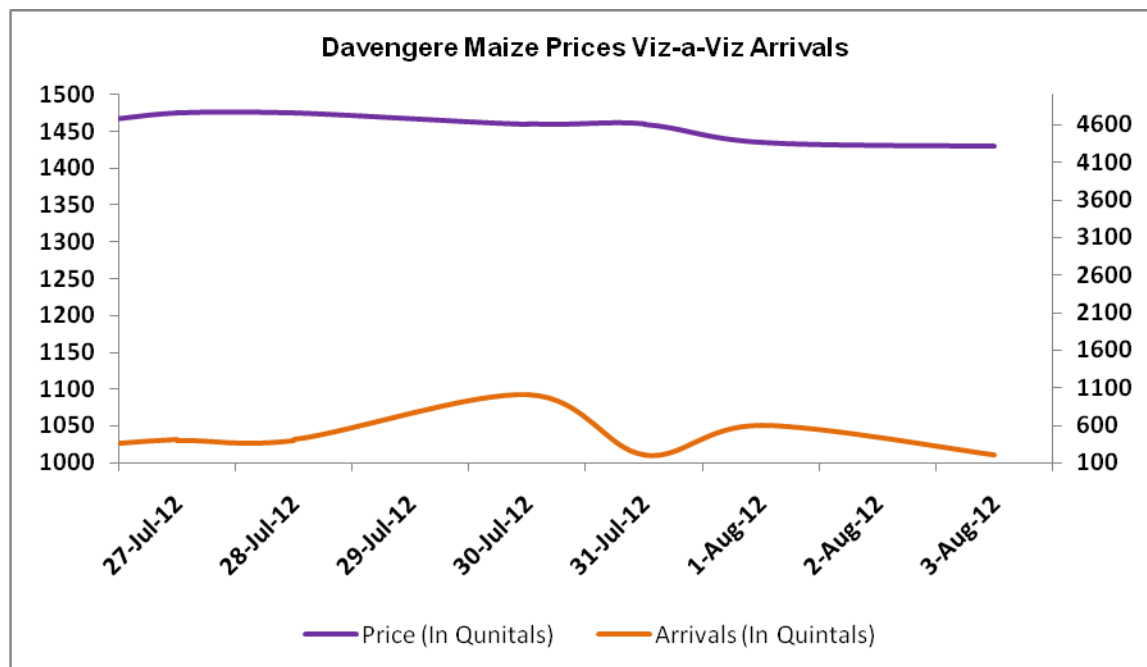
Note: Sowing Figures as on 1st August 2012



Karnataka: Prices declined in Davangere market compared to the previous week. Average demand from domestic Poultry and starch industries affected maize prices.

In Karnataka, maize sowing has been started late around 15 to one month due to late arrivals of rains which may affect on maize crops yields negatively. Currently, cloudy weather is surrounded there but no rain has been reported last one week.

Maize is moving by roads from Davangere to Bangalore and Karnataka.



Weather Situation (IMD Report)

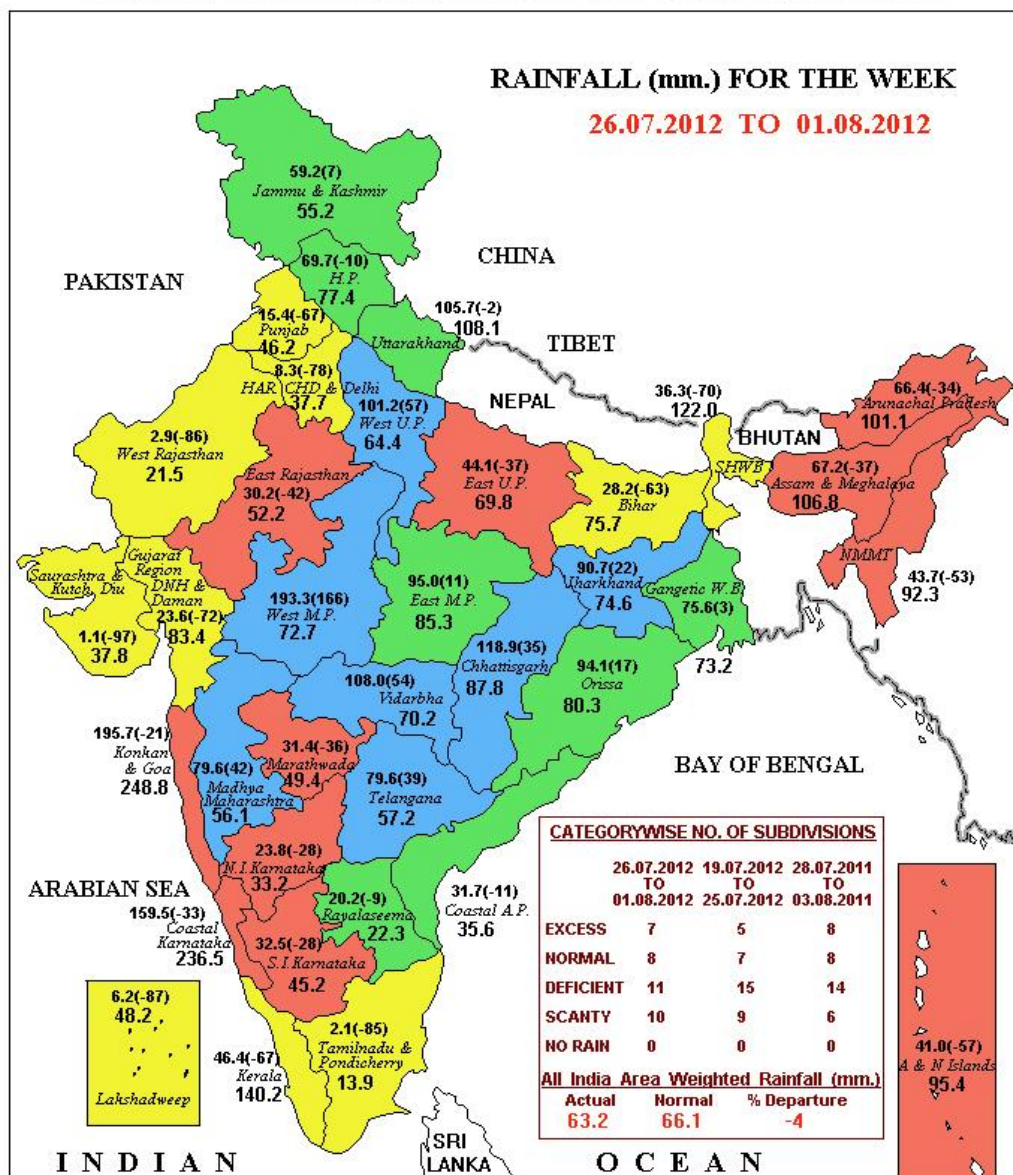
As per IMD, Punjab, Haryana, Chandigarh & Delhi, West Rajasthan and Saurashtra & Kutch have received scanty of rainfall. In area wise distribution 37% area of the country received excess/normal rainfall. Remaining 63% area received deficient/scanty rainfall. On the other hand, the North East region, North Bihar and North Bengal have received heavy rainfall.

IMD has forecasted for August month that active monsoon conditions would prevail over parts of central & east India during 1st half with decrease in rainfall during 2nd half of week. Isolated heavy rainfall would occur over Orissa, Chhattisgarh, Vidarbha and Madhya Pradesh during 1st half of the week. Rainfall would occur at many places along the west coast and over northeast India. Rainfall would occur at few places over northwest India during the 1st half of the week and would increase towards the 2nd half of the week particularly over Uttar Pradesh, Uttarakhand and Himachal Pradesh. Subdued rainfall activity would occur over the remaining parts of country particularly over interior Peninsula.

Outlook For The Week Ending on 8th August, 2012

According to IMD, Rainfall activity would increase over central India and eastern states.

भारत मौसम विज्ञान विभाग INDIA METEOROLOGICAL DEPARTMENT



LEGEND: ■ EXCESS (+20% OR MORE) ■ NORMAL (+19% TO -19%) ■ DEFICIENT (-20% TO -59%)
■ SCANTY (-60% TO -99%) ■ NO RAIN (-100%) NO DATA

NOTES:

[a] Rainfall figures are based on operational data.

[b] Small figures indicate actual rainfall (mm.), while bold figures indicate Normal rainfall (mm.)
Percentage Departures of Rainfall are shown in Brackets.

SOURCE: - IMD

MAIZE SPOT MARKET PRICES (Rs. /QUINTAL)

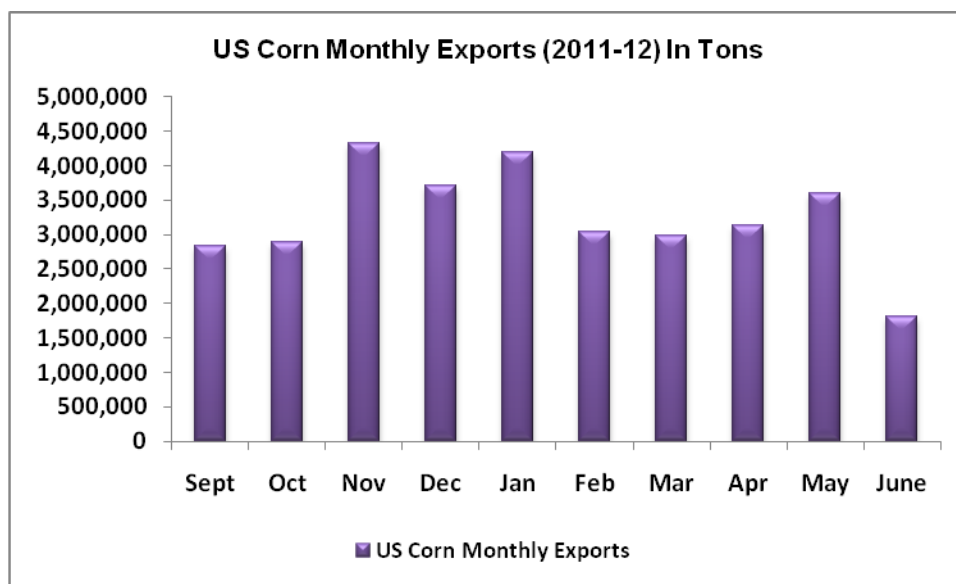
Market	Grade	03 rd Aug,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1380	1325	1160	1080	1160
Davangere	Bilty	1430	1475	1250	1120	1250
Naugachia	Bilty	1180	1180	1040	875	1000
Nizamabad	Bilty	1412	1397	1270	1080	1290
Ahmedabad	Feed	1480	1525	1300	1130	1300
	Starch	1550	1525	1300	1175	1240

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 2nd August 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.
- As per source, US are likely to reduce maize sowing area around 20% due to dry weather conditions. In USDA latest report, U.S corn yield has been forecasted down by 20 bushels from 164 bushels per acre. The USDA's current forecast is a yield of 146 bushels and production at 12.97 billion.
- According to Sarfa, Corn output is expected to come down to 68 million tonnes in Brazil after covering planting area 13.2 million hectares down by 11% from 2011/12 planting as farmers may shift corn area towards soybean.
- US corn exports reached to 34.48 million tons till 12th July 2012. However, US corn exports in latest reporting week stood at 31900 tons which is 82 percent down from previous week and 77 percent down from prior 4 weeks as reported.



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 (Cents/bushel)				
	Contract Month	26/7/2012	2/8/2012	Change
Corn CBOT Prices	Sep-12	307.50	312.52	5.02
	Dec-12	305.53	313.21	7.68
	Mar-13	304.35	313.90	9.55
	May-13	302.38	311.34	8.96

CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: Sept Contract)

- Maize prices moved towards downtrend as chart depicts.
- Falling open interest and prices depicts market under long liquidation phase.
- However, RSI is hovering down in neutral region hints a downtrend in the market.
- Strategy: **Markets participants should sell Corn CBOT from 820 Cents/bushel level and the target would be 801cents/bushels for next week.**

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(September Contract Weekly Chart)

- Maize prices are moving down as chart depicts.
- Rising Open interest and falling prices hints market towards short build up phase.
- **Strategy:** Sell at price level of 1535 and book profit towards support level..

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1458	1476	1528	1594	1644

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