

EXECUTIVE SUMMARY

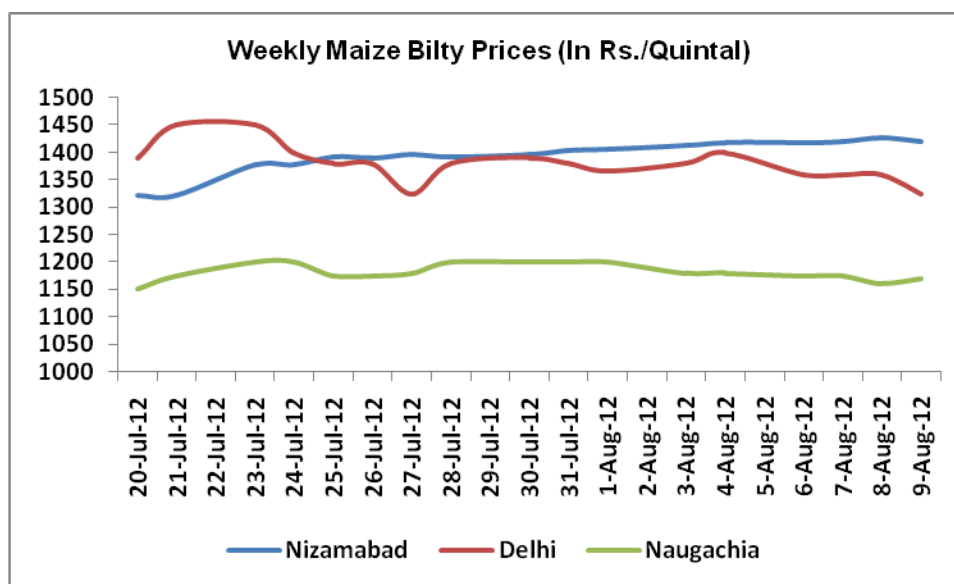
Ups and Downs trend featured in various maize markets during the week ended.

Average spot demand from Poultry and Starch Industries weighted in the markets. 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 down at around Rs 1304 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 (~\$347) increased by \$7 per ton during the week compared to the prior week as maize prices due to higher prices.

Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$401) and though getting stiff competition from Argentina Maize C&F prices (343) Brazil C&F (~328).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.00)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	293	273	341	313
Cost and Freight	343	328	401.00	347.85

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:

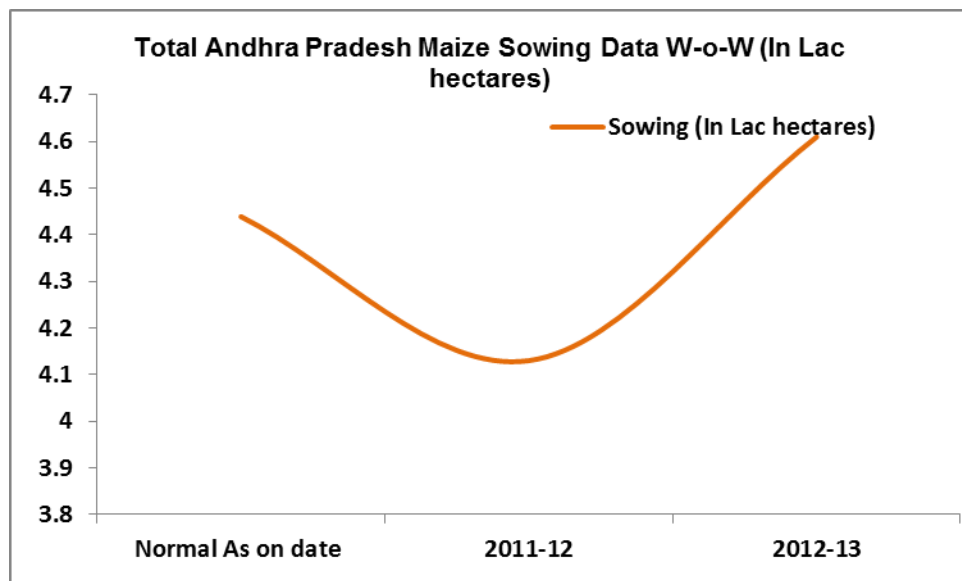
Andhra Pradesh: Maize prices were improved in Nizamabad market in AP during the week ended 3rd August 2012 due to end of maize arrivals in the market.

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 4.61 lakh hectares in AP till 8th August 2012 that is higher than last year 4.13 lakh hectares maize sowed at same period.

	2012	2011	Normal (as on date)	Normal (Season)
Area Sown (In Lac hectares)	4.61	4.13	4.43	4.43

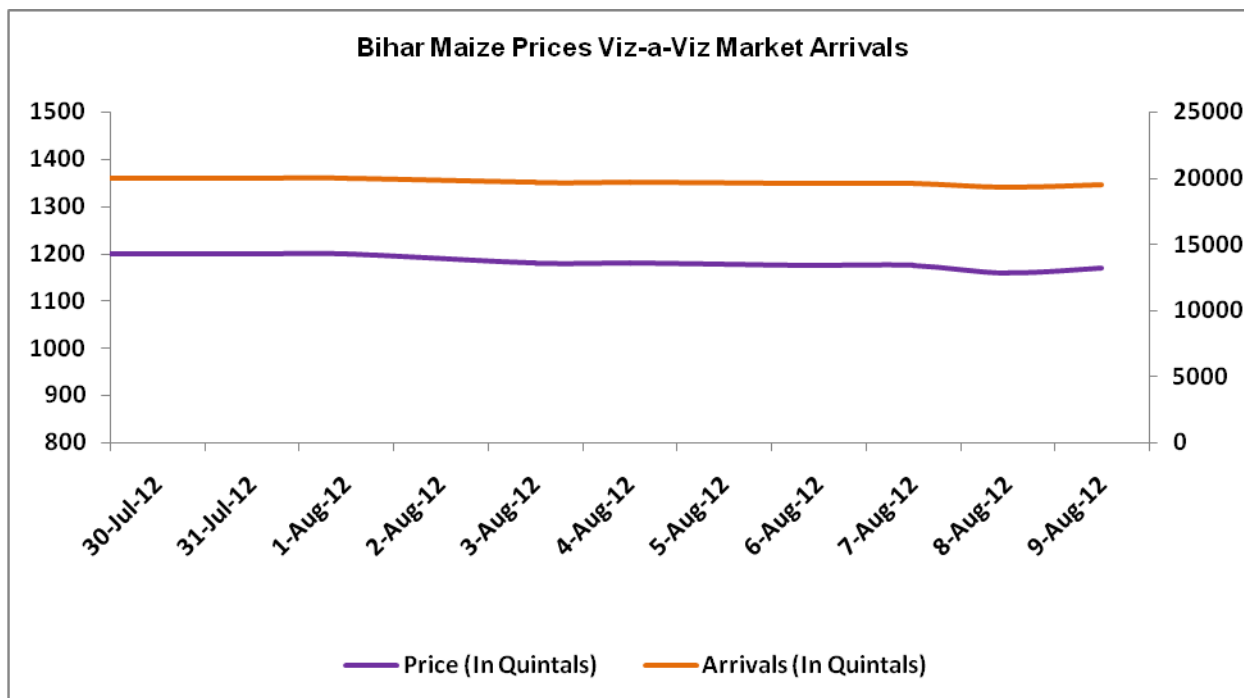
Note: Sowing Figures as on 8th August 2012



Karnataka:

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.

Bihar : Prices trended steady to down trend due to lower demand in Bihar. Arrivals are coming with slow pace as compare to previous weeks as stockiest have started to hold their crop in expectation of better prices.



Weather Situation (IMD Report)

The southwest monsoon has been active over Nagaland, Manipur, Mizoram, & Tripura, Gangetic West Bengal, east Rajasthan, west Madhya Pradesh, Gujarat region, coastal & south interior Karnataka and Kerala during past 24 hours ending at 0830 hours IST of today.

Outlook For The Week Ending on 15th August, 2012

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

Rain/thundershowers would occur at many places over Gujarat state, Rajasthan, western

- Himalayan region, Madhya Pradesh, west coast, West Bengal & Sikkim and northeastern states.
- Rain/thundershowers would occur at a few places over Chhattisgarh, Vidarbha, Odisha and Jharkh
Rain/thundershowers would occur at a few places over Punjab, Haryana, Uttar Pradesh, Bihar, Madhya Maharashtra, Marathwada and Interior Karnataka.
- Rain/thundershowers would occur at one or two places over Andhra Pradesh and Tamilnadu.

MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

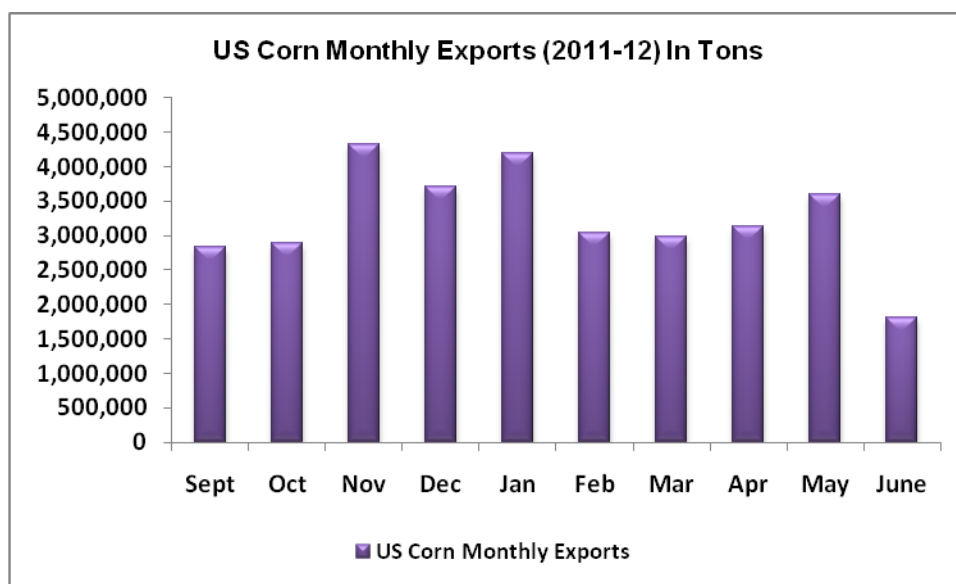
Market	Grade	09 th Aug, 2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1325	1380	1190	1010	-
Davangere	Bilty	1450	1430	1285	1130	1250
Naugachia	Bilty	1170	1180	1100	875	1025
Nizamabad	Bilty	1419	1412	1276	1080	1260
Ahmedabad	Feed	1525	1480	1325	1140	1280
	Starch	1500	1550	1300	1170	1240

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.

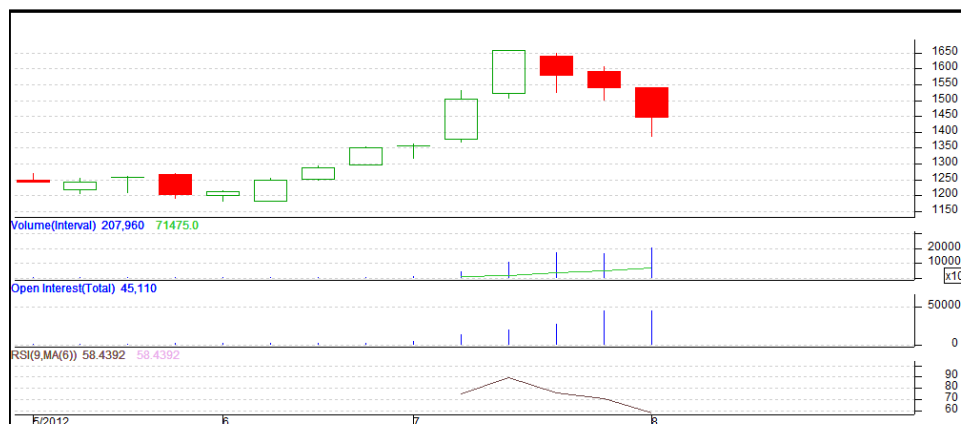
Maize CBOT Weekly Futures Price Listing (Cents/bushel)				
	Contract Month	1/8/2012	8/8/2012	Change
Corn CBOT Prices	Sep-12	312.52	319.11	6.59
	Dec-12	313.21	321.37	8.16
	Mar-13	313.90	320.19	6.29
	May-13	311.34	318.13	6.79

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 up in neutral region hints uptrend in the market.
- Strategy: **Markets participants should buy Corn CBOT from current level.**

FUTURES MARKET ANALYSIS: NCDEX MAIZE:

(September Contract Weekly Chart)

- Maize prices are moving down as chart depicts.
- Falling open interest and falling prices hints market towards short build up phase.

➤ **Strategy:** Sell on rise.

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1360	1410	1445	1594	1644

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