

EXECUTIVE SUMMARY

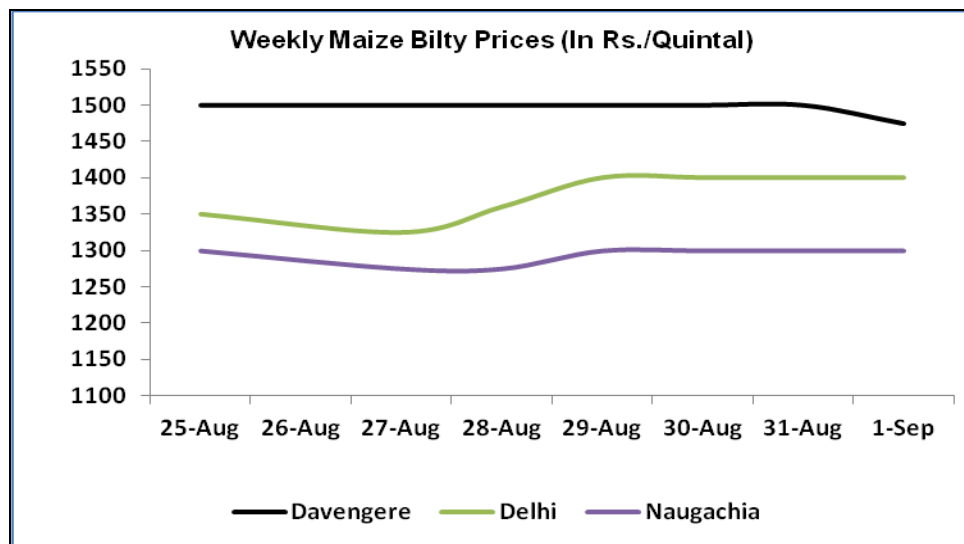
Mixed sentiments witnessed in various key spot markets of maize during the week ended 1st September 2012.

However, poultry and starch industries had declined their maize procurement and trying to shift towards jowar and bajra due to lower prices of alternate crops.

In Bulandsahar district, fresh demand for maize is reported from Gujarat, Noida and Delhi regions, Around 4-5 trucks (1 truck=20ton) on daily basis are moving towards Gujarat at Rs. 1550 per quintal and around 15 trucks towards Noida and Delhi on daily basis. Also, Bihar maize is moving towards Kakinada port at Rs. 1350 per quintal.

In Karnataka, around 10% stock of maize left in various markets till date. In addition to it, poultry and starch industries have 15 to 20 days stock. In the current sowing period, around 20% area shifted towards cotton from maize which is leading prices at higher level.

Maize prices are hovering at around Rs 1428 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 (~\$348.05) decreased marginally by \$2.5 per ton during the week compared to the prior week owing to good rainfall in Karnataka region.

Meanwhile, Indian maize exporters are getting parity compared to US Maize C&F prices (~\$398) and though getting stiff competition from Argentina (~\$345.00) and Brazil C&F (~\$330).

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 55.7215)				
	Argentina	Brazil	US	India (Davengere Origin)
FOB	295	275	338	313
Incl Cost and Freight (C&F)	345	330	398	348.05

On the Export front, India exported around 65000 tons maize last week which takes the overall maize domestic export figures to 3.86 million tons in the 2011-12 year till date.

Reportedly, Bangladesh started maize import at \$252-\$262 from the Bihar region. Increasing export as well as domestic demand with the lower maize stock availability in domestic markets could drive the prices towards northwards in the coming days.

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 September 2012.

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 lac tons of maize left with traders in Nizamabad till date as reported.

However, no rakes business has been reported this week from Nizamabad. Traders are holding maize stocks as reported as they are anticipating increase in maize prices in the coming month.

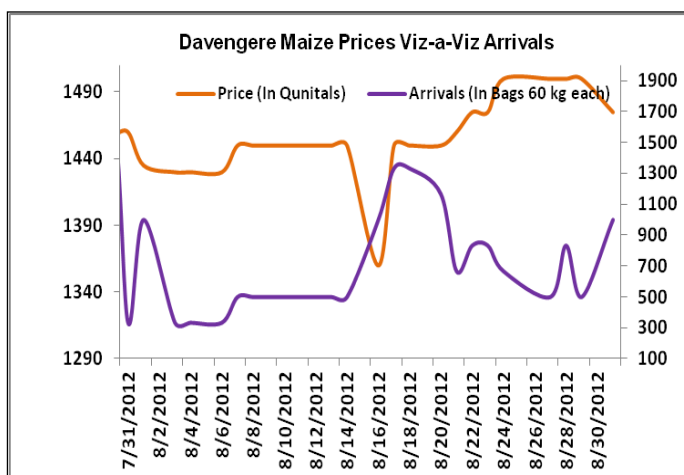
Sowing Update: In Andhra Pradesh, farmers has sown maize in 5.14 lac hectares till 29th August 2012 which is 4% higher as compared to last year and also higher from normal sown area as on date ~5.14 lac hectares. Around 103% sowing has completed in AP till date. Crop condition is reportedly good in various maize growing belts of AP owing to recent heavy rainfall.

	2012	2011	Normal (as on date)	Normal (Season)
Area Sown (In Lac hectares)	5.14	4.79	4.97	4.99

Note: Sowing Figures as on 29th August 2012

Karnataka: Prices have declined in Davangere market compared to the previous week. Stockists and traders have booked the profit at higher levels which increase the arrivals of maize in mandi during the week.

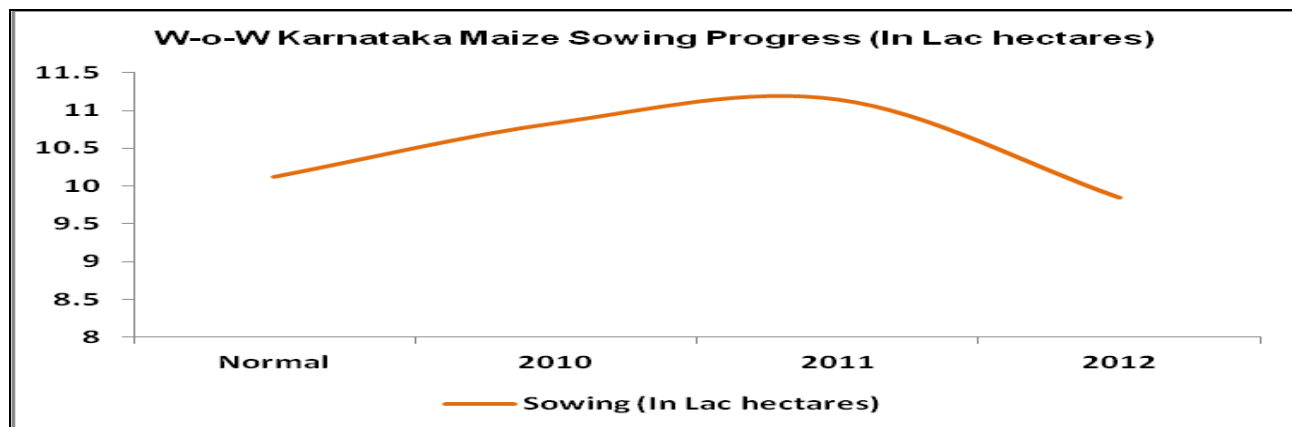
However, no rake business reported in this month from Davangere market.



Recent rainfalls in Karnataka boost the standing maize Kharif crop and might offset the impact of drought upto some extent. However, crop may arrive up to 1 week of November in the market due to delayed sowing.

Meanwhile, In Karnataka, Farmers has sown maize in 9.85 lac hectares till 29th August 2012 which is 13% lower compared to last year maize sowed by farmers in their respective fields in Karnataka. Sowing has delayed in Karnataka owing to lower rainfall as reported.

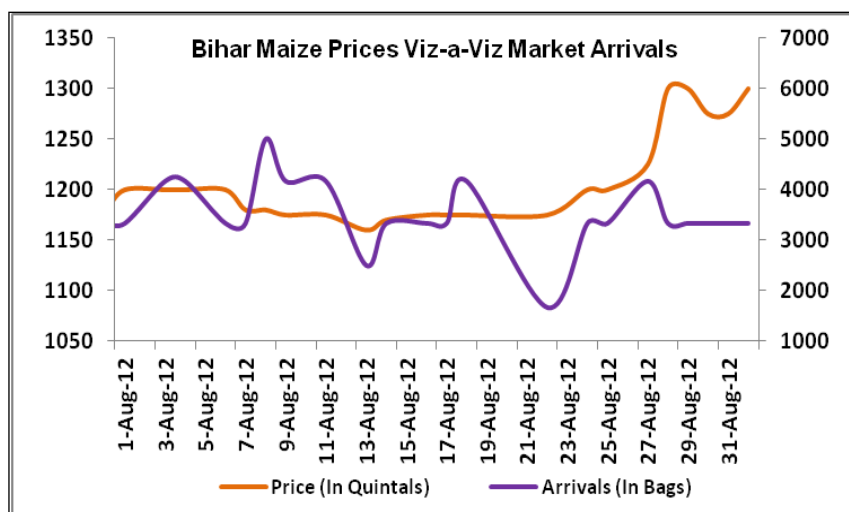
Sources revealed in Karnataka, around 20% area shifted towards cotton from maize.



Bihar: Maize prices improved in various markets of Bihar during the week ended 3rd September 2012. Moderate domestic as well as export demand support the prices during the week.

However, arrivals of maize are steady.

Meanwhile, Bihar maize is moving towards Kakinada port by rake for further export.



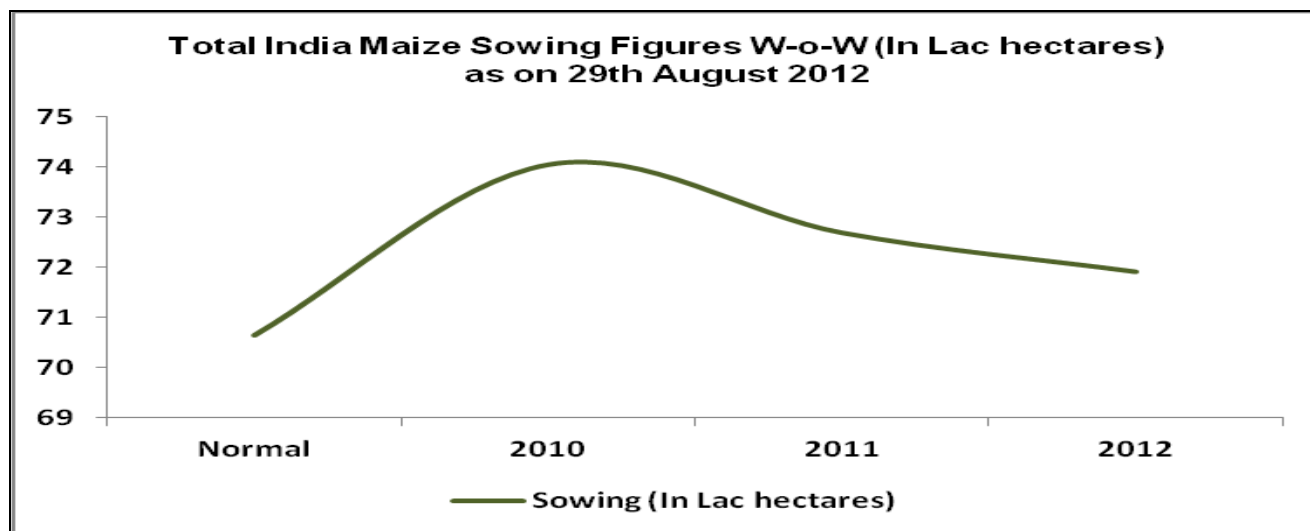
In Delhi market, Prices of maize improved in Delhi market during the week owing to lower maize stocks left with stockists at present.

BUSINESS FROM VARIOUS SOURCING CENTERS DURING THE SEASON TILL DATE:

Destination	By Road (Rs/MT)	By Rake (Rs/MT)	FOB in USD /Tonne
Sangli	16000 (Karnataka Origin)	-	-
Delhi	14000 (UP origin)		
Bangalore	14500 (Karnataka Origin)		
Erode	15000 (Karnataka Origin)		
Gujarat	15500(UP Origin)	-	
Kakinada	-	13500 (Bihar origin)	-

MAIZE KHARIF SOWING UPDATE:

Total acreage of maize in India as on Aug 29, stood at 7.191 million hectares, down marginally year on year. It is notable that sowing of maize is almost over and various trade houses are trying to figure out the yield of maize which will become crucial factor for analyzing the production of maize for the coming kharif season.



MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Market	Grade	31 th Aug,2012	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1400	1350	1380	1165	-
Davangere	Bilty	1475	1500	1460	1225	1210
Naugachia	Bilty	1300	1300	1200	1025	1075
Nizamabad	Bilty	1563	1471	1404	1225	1260
Ahmedabad	Feed	1570	1530	1490	1280	1240
	Starch	1550	1480	1550	1285	1200

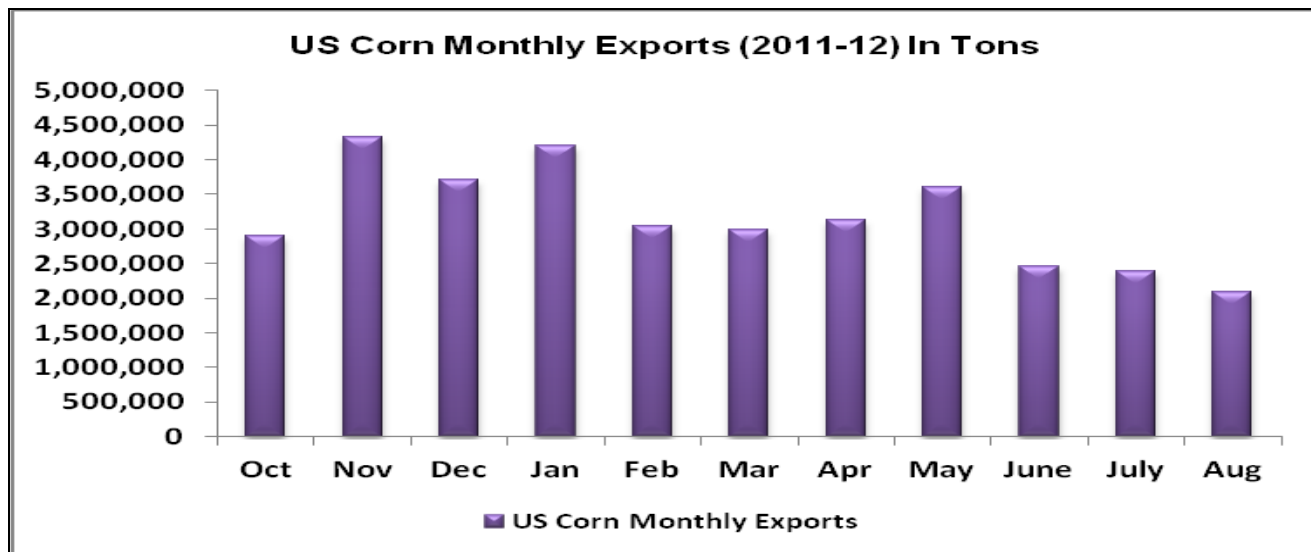
DOMESTIC MAIZE OUTLOOK:

Maize prices are moving in a range with firm tone during the week. Weak international sentiments and recent rainfall in major corn growing belts offset the bullish impact on maize prices upto certain extent. However, keeping in view delayed sowing and harvesting prospects of maize for the coming kharif crop give us a hint of bullishness for medium to long term.

INTERNATIONAL MARKET: HIGHLIGHTS/CURRENT DEVELOPMENTS:

International Corn prices declined marginally in CBOT market during the week ended 3rd September 2012. Recent rainfall in drought affected areas of corn in US and increasing pace of US corn harvesting by farmers pressurize the prices of corn.

As per USDA sowing progress report, 26% corn crop was reported in maturity stage till date, higher by 19% from last year. 6% corn crop has harvested, higher by 4% from last year during the same period. 22% crop was reported in good to excellent condition, lowered by 1% from last week and 32% from last year during the same period.



As per USDA, U.S. corn export figures reached to 37.66 million tons which is lowered by 6.9 million tons from last year during the same period.

Some Other major International Corn Highlights during the week are:

- Maize harvest for EU is forecasted to be at 56.9 million tons during the year, down from 65.2 million tons in 2011 due to drought damage, thus raising its import requirements.
- Maize crop outlook in France is reported to improve due to good weather conditions in past weeks and an average yield of 9.7-9.8 tons per hectare is likely to be seen.
- Indonesia is likely to reduce corn imports by half to 1.5 million tons on the expectation of higher production around 9-10 million tons as compared to 8-9 million tons in 2011.
- Ukraine could harvest 19 Million tons of Corn, 14.2 million tons of wheat and 6.5 million tons of Barley this year, it estimated. Ukraine harvested a record 22.7 million tons of corn last year and planned to harvest at least 25 million this year. But hot weather this summer likely to reduce the output to about 20 million.
- Ukraine exported 15 millions of corn last year. In August 1-28, Ukraine exported 1.356 Million tones of grains verses 1.2 million tons in July. The August export included 612900 tons of wheat, 511700 tons of Barley and 206300 tons of Corn. Ukraine corn went mostly to Egypt Israel, and Algeria.
- The Philippines may possibly export corn as much as 4 lakh tons as early as this year to take advantage of the corn price cause by US drought.
- US on high alert for toxin in drought-hit corn.
- With an increased availability of a special credit line, Brazil is encouraging corn growers not to switch to soybean.
- South Africa ups 2012 Corn output forecast to 11.192 million tons from 10.836 of last month.

INTERNATIONAL MAIZE OUTLOOK:

Corn prices in CBOT declined marginally during the week owing to progressive corn harvesting started in US. In addition to it, scattered rainfall thanks to ISAAC hurricane in US eases the prices of corn.

With continuous rainfall in major corn producing states of US and increasing harvest we expect prices to remain stable and should trade in range in the coming week. However, upcoming actual yield results of corn would decide the future of the corn prices further.

Maize CBOT Weekly Futures Price Listing (USD/Ton)

	Contract Month	23/8/2012	30/8/2012	Change
Corn CBOT Prices	Sep-12	318.32	319.41	+1.09
	Dec-12	320.69	318.23	-2.46
	Mar-13	320.49	318.32	-2.17
	May-13	317.24	315.47	-1.77

CBOT MAIZE FUTURES OUTLOOK:



(CBOT Maize Chart: Dec Contract)

- As the chart depicts, Maize prices are moving in a range.
- 161.8% retracement level seems like a strong support level.
- Decrease in prices has supported by higher OI.

- Strategy: Markets participants should buy Corn CBOT at 781 levels and the target would be 806 cents/bushels for next week.

FUTURES MARKET ANALYSIS: NCDEX MAIZE:



(October Contract Weekly Chart)

- Maize prices are moving in consolidation as chart depicts.
- Decrease in prices with higher OI indicates to short build up in the market.
- Prices are likely to test 1528 level in the near term.
- **Strategy:** Buy from near support level.

Maize NCDEX (October)

Support & Resistance				
S2	S1	PCP	R1	R2
1430	1476	1488	1528	1551

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