

Price Drivers

- Weak sowing progress of Rabi crop.
- Expected increase in demand from the poultry sector.
- Lowered forecasts for US inventories, tightening global food supplies after adverse weather slashed harvests.

Technical Analysis:

- Candle stick pattern indicates sideways movement of maize prices.
- Prices closed below 9 day and 18 day EMA, indicating short term weak movement of prices ahead.
- RSI is moving flat in the neutral region indicating range bound movement in the market for short term.
- MACD is moving down indicating bearish sentiment.
- Maize futures prices are hovering in the range of 1122 to 1140. Breaching either of the level of prices will decide the actual movement of prices. Market participants are suggested to wait for next trading session.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
Wait				
Support & Resistance				
S2	S1	PCP	R1	R2
1116	1124	1128	1138	1147

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	01/03/11	28/02/11	
Nizamabad	1439	1439	Unch
Davangere	1505	1505	Unch
Maize Total	2944	2944	Unch

Market Analysis

- Steady to firm tone of sentiment witnessed in major key cash maize markets.
- Restricted supply is reported from all the key markets as Kharif maize stock is almost ending.
- In Davangere, prices were up by Rs.20/Qtl on sustained demand from industrial users amid tight supply. The demand from local users and exporters are reported to be regular, however, due to restricted supply, quantity demanded by the buyers could not be matched. The maize prices are likely to remain on higher side.
- Nizamabad spot market will remain closed, starting today, till Saturday on account of Maha Shivaratri and other related activities.
- Very thin market activity, equivalent to no trade, is reported from Naughachia market due to negligible supply. Fresh Rabi maize arrivals in very small quantities having high moisture content above 14% are reported. However, buyers are waiting for the fresh bulk arrivals which are expected after first fortnight of March.
- In Ahmadabad, poultry feed and starch grade maize gained Rs. 10 and Rs. 15 per quintal, respectively on some fresh buying at current supply. Prices may trade steady to slightly firm tomorrow as positive sentiment is seen today.
- According to the information in the Mexico's Ministry of Agriculture, the import of corn increases 47.6% compared to last year. This import batch of corn mainly comes from US, South Africa and Canada. At the same time, the government will also simplify the health quarantine procedures. And they will import a certain amount of corn from Brazil and Argentina.

We feel that prices are likely to trade steady to firm bias for medium term on good demand from the industrial users and exporters. However, Rabi season arrivals may start in near term and may exert some pressure on prices.

Spot Prices at Key Markets

Centre	Prices 03-03-11	Chng From Prior day	Arrivals 03-03-11	Chng From Prior day
Delhi	1120	Unch	300	Unch
Nizamabad		CLOSED		
Davangere	1110	+20	200	-800
Naughachia	-	-	-	-

*Prices in Rs/Qtl, Arrivals in Bags (1 bag =1 qtl), All are Bilty prices except in Delhi which is for Hybrid maize



International Market (CBOT)

US corn futures finish near a 32-month high on fresh fund buying and ongoing supply concerns. Commodity funds bought an estimated 5,000 contracts in light trading. Futures felt additional support from rallying crude oil, as ethanol is made from corn. It looks like corn, especially with crude activity like it is, should be really well supported until we get a major change in acres or crude oil prices, CBOT May corn rises 4 1/2c to \$7.35 1/2 a bushel.

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