

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 above 9 day and 18 day EMA, indicating short term upward movement of prices ahead.
- RSI is moving up in the neutral region supporting bullish sentiment in the market for short term.
- MACD is moving upward indicating bullish 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	1135	1138	1147

NCDEX Warehouse Stock (in Tonnes)

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

Market Analysis

- Firm sentiment witnessed in major key cash maize markets on Friday.
- In Delhi, prices improved by Rs. 20/Qtl on fresh buying from poultry users at current supply. The quality of maize is reported to be good. Supported by today's firm sentiment, the prices are likely to remain steady to firm tomorrow.
- In Davangere, maize prices improved by Rs. 10/Qtl on higher demand from industrial users and exporters at current supply. Sustained regular demand with restricted supply will keep the prices on higher side in next trading session.
- Nizamabad spot market will remain closed 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.
- As per weekly crop coverage report released by Govt. of Andhra Pradesh, the total maize sown in the state stands at 2.94 lakh hectares, as on 3rd Mar. 2011, which is 117% of maize normally sown in a season. It is higher by 13,000 hectares to that of last year as on date, however, it is 92,000 hectares lower than maize sown as on date during the year 2009.
- As per the U.S. Department of Agriculture weekly export sales, corn export for the period February 18-24, 2011 totaled 1,080,600 MT, down 28% from the previous week and 10% from the prior 4-week average. Increased exports were reported for Mexico, Japan, Costa Rico, Cuba, Syria and South Korea.

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 04-03-11	Chng From Prior day	Arrivals 04-03-11	Chng From Prior day
Delhi	1140	+20	300	Unch
Nizamabad		CLOSED		
Davangere	1120	+10	200	Unch
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 close lower on profit-taking after reaching 32-month highs. Commodity funds sold an estimated 16,000 contracts, a large amount. Futures felt additional pressure as market participants unwound long corn/short wheat spread trades. Market participants had previously been buying corn and selling wheat on outlooks for tight corn supplies. CBOT May corn falls 14c to \$7.21 1/2 a bushel.

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