

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 chart pattern indicates the bullish 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 are likely to trade range-bound with strong bias in next session.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
BUY	>1150	1156	1163	1140
Support & Resistance				
S2	S1	PCP	R1	R2
1139	1146	1155	1168	1179



International Market (CBOT)

US corn futures finish weaker on profit-taking, following a move to 32-month highs. Traders took money off the table ahead of the weekend but say concerns persist about tight supplies of the grain. Weekly US export sales, issued Thursday, topped 1M metric tons for the fifth consecutive week, raising fears the USDA may cut its forecast for season-end supplies, already projected at a 15-year low, in a crop report next Thursday. CBOT May corn drops 8 3/4c to \$7.28/bushel.

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	04/03/11	03/03/11	
Nizamabad	1439	1439	Unch
Davangere	1505	1505	Unch
Maize Total	2944	2944	Unch

Market Analysis

- Steady to firm sentiment featured in major key cash maize markets on Saturday.
- The quality of maize arrived to market was good which supported the market to remain with firm sentiment.
- Fresh buying from poultry users at current supply has supported the Delhi prices to move upside at Rs. 10/Qtl.
- 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 market sources, Rabi crop was expected to be better this time. On an average, Rabi crop accounts for 15-20 per cent of the total maize production in the country, which comes mainly from Bihar.
- As per trade information, Starch industry has added around 1,500 tonnes per day maize crushing capacity this year, and is likely to consume around 0.4 million tonnes more, taking the total requirement of the starch manufacturers close to 2 million tonnes.
- As per the Kenya Department of Agriculture, it has 21 million bags of maize in farmers' and millers' stores in addition to another three million bags in the strategic reserve.
- As per US 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 range bound with 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 05-03-11	Chng From Prior day	Arrivals 05-03-11	Chng From Prior day
Delhi	1150	+10	300	Unch
Nizamabad		CLOSED		
Davangere	1120	Unch	Unch	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

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