

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	>1157	1162	1168	1145
Support & Resistance				
S2	S1	PCP	R1	R2
1144	1150	1156	1173	1180



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
	05/03/11	04/03/11	
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 Monday.
- The quality of maize arrived to market was good which supported the market to remain with firm sentiment.
- The Delhi prices to move upside at Rs.30/Qtl. as compared to the previous days prices a result of fresh buying supported from poultry users at current supply level.
- 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.
- Subdued trading activity was reported from Naughachia market due to negligible supply.
- 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 Serbian Chamber of Commerce report, area sown for corn in Serbia will increase in the coming planting season by 166,000 hectares (410,200 acres) or 13.5 percent, to 1.4 million hectares. Last year Serbia's corn harvest from 1.234 million hectares produced nearly 6.85 million tons of the crops, about 50 percent more than the nation's average annual consumption.
- As per the U.S. Grains Council reports, sales of U.S. corn to Egypt have been strong in recent weeks as the country recovers from the political unrest. As per the reports, sales last week were up considerably from one year ago - 609-thousand metric tons of corn sold to Egypt. U.S. corn sales to Egypt have been booming the entire marketing year, reaching 1.6-million tons thus far and well ahead of the 884-thousand tons a year ago at this time.

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 07-03-11	Chng From Prior day	Arrivals 07-03-11	Chng From Prior day
Delhi	1180	+30	300	Unch
Nizamabad	1025	-	200	-
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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