

Price Drivers

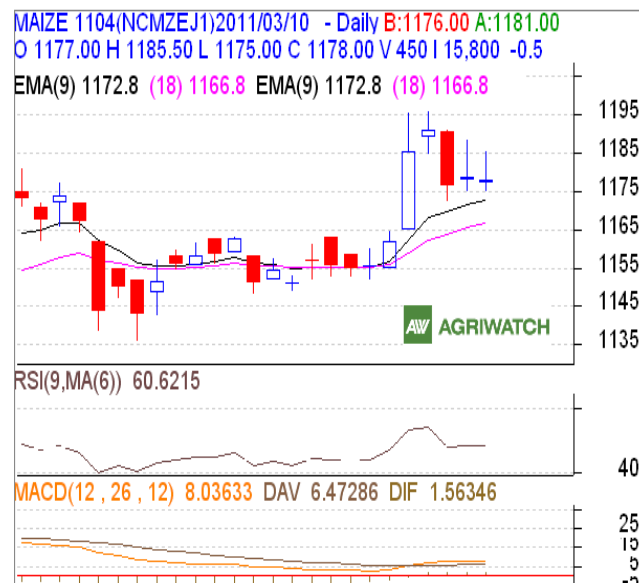
- Weak sowing progress of Rabi crop.
- Expected increase in demand from the poultry sector.
- Lowered forecasts for US inventories, tightening global food supplies after adverse weather slashed harvests.

Technical Analysis:

- Candle stick chart pattern indicates buyers' active participation in the futures market.
- Prices closed above 9 day and 18 day EMA, supporting short term upward movement of prices ahead.
- RSI is moving flat in the neutral region supporting range bound movement in the market for short term.
- MACD is moving upward indicating bullish sentiment.
- Market participants are advised to wait for the next trading session.

Trade Recommendation – Maize NCDEX (April Contract)

Call	Entry	T1	T2	SL
Wait	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
1163	1171	1178	1190	1195



International Market (CBOT)

US corn futures fall for the third straight day on worries about demand. Rising crude prices is stoking fears about the global economic recovery, key to commodity demand. While analysts forecast a slight drop to supplies in Thursday's USDA report, many are already looking ahead to end-of-month acreage and stocks reports. Prices are down 6% from a 32-month high set Friday, and technical pressure is a factor in the market. Continued weakness in the front months indicate the market's slump is demand driven CBOT March corn down 3c at \$6.95 3/4 while the most-active May contract fell 5c to \$7.00 1/2

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	09/03/11	08/03/11	
Nizamabad	1439	1439	Unch
Davangere	1555	1555	Unch
Maize Total	2944	2944	Unch

Market Analysis

- Mostly firm tone of sentiment witnessed in major key cash maize markets on Thursday.
- In Davangere, maize prices gained Rs. 5/Qtl on sustained demand at current supply. Prices may go up in the next session as good demand expected.
- The Delhi, maize prices traded steady in absence of fresh buying despite reduced supply. However, traders feel that demand may remain at current or higher level for some time. Steady to firm sentiment is expected in next trading session.
- In Nizamabad, prices were up for the third day which increased by Rs. 10/Qtl on higher offtake from starch industries at current supply. Reportedly, due to good demand and lower supply in the market the stockiest are offloading their stocks supporting the prices on higher side. Fresh arrivals are expected in a week time. The prices may remain steady to firm tomorrow.
- According to a news source, in one of the latest deals signed last week, Indonesian feed mills bought 10,000 tonnes of Indian corn at \$312 a ton, including cost and freight. Reportedly, vessels to load some 70,000 tonnes of corn were lined up at Kakinada port in southern India for Indonesia. The country expects to import more than 2 million tonnes of corn this year, up from an estimated 1.5 million tonnes in 2010.
- As per trade source, regular export of maize from India to South-East Asian countries is being done at cost and freight (C&F) quoted at around \$320 compared with South American cargoes being offered around \$350 a ton.
- Taiwan's Maize Industry Procurement Association (MIPA) on Wednesday passed a tender to import 60,000 metric tons of optional origin corn, citing high prices. MIPA was also seeking U.S. No. 2 corn or an equivalent grade of any other origin for April-May shipment and will likely tender again next week.

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

Spot Prices at Key Markets

Centre	Prices 10-03-11	Chng From Prior day	Arrivals 10-03-11	Chng From Prior day
Delhi	1200	Unch	400	-300
Nizamabad	1050	+10	300	Unch
Davangere	1165	+05	500	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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