

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 bullish movement of maize price in futures market.
- Prices closed above 9 day and 18 day EMA, supporting short term upward movement of prices ahead.
- RSI is moving up in the neutral region supporting bullish movement in the market for short term.
- MACD is moving upward indicating bullish sentiment.
- Market participants are advised to buy around 1191.

Trade Recommendation – Maize NCDEX (April Contract)

Call	Entry	T1	T2	SL
Buy	>1190	1195	1200	1184
Support & Resistance				
S2	S1	PCP	R1	R2
1163	1171	1194	1204	1214



NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	10/03/11	09/03/11	
Nizamabad	1439	1439	Unch
Davangere	1555	1555	Unch
Maize Total	2944	2944	Unch

Market Analysis

- Firm tone of sentiment witnessed in major key cash maize markets on Friday.
- The Delhi, maize prices traded higher by Rs. 10/Qtl on active buying from poultry users at higher supply. Following today's positive sentiment in the market, maize prices are likely to remain firm in next trading session.
- In Davangere, maize prices gained Rs. 05/Qtl on sustained demand from local users and exporters despite spurt in supply. Maize prices are likely to remain on the firm side tomorrow as strong is seen in the market.
- In Nizamabad, prices were up by Rs. 10/Qtl on higher offtake from starch industries at increased supply. Fresh arrivals are expected in a week time. The prices may remain steady to firm tomorrow.
- In Ahmadabad, prices were up for both the poultry feed and starch grade maize by Rs. 25 and 40/Qtl respectively, on higher demand amid increased supply. The prices may remain on the higher side tomorrow.
- According to latest USDA's World Agricultural Supply and Demand Estimates (WASDE) report, global 2010/11 corn production is reduced 500,000 tons as lower production in Mexico and India is partially offset by higher production in Brazil. Global corn beginning stocks are lowered 0.6 million tons with upward revisions to Brazil exports and India feeding in 2009/10. U.S. corn ending stocks for 2010/11 is left unchanged at 675 million bushels.
- Brazil corn production is raised 2.0 million tons with higher reported area and yields of summer crop and expected increased area for the winter crop. Whereas, Mexico's corn production is estimated 2.0 million tons lower due to the unusual early February freeze destroyed standing corn crops.

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 11-03-11	Chng From Prior day	Arrivals 11-03-11	Chng From Prior day
Delhi	1210	+10	500	+100
Nizamabad	1060	+10	400	+100
Davangere	1170	+05	2000	+1500
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 lower for the fifth consecutive session. The market extended losses in late trading after feeling pressure throughout the day from weak wheat prices and an increased global supply outlook. Wheat's losses definitely kept corn under pressure. Both grains are used for livestock feed. The USDA kept its forecast for US corn supplies unchanged at a 15-year low. CBOT May corn falls 18 1/4c to \$6.82 3/4 a bushel.

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