

Spot Market Fundamental Highlights:

- Firm sentiment witnessed in the major key cash markets of maize during the fortnight, as a result of strong demand from industrial users and overseas market amid tight supply.
- An increase of prices ranged from Rs 40-130/Qtl has been witnessed in key cash maize markets supported by good demand.
- In Delhi market, maize prices gained Rs. 105/Qtl surpassing Rs. 1200/Qtl on strong demand from poultry users despite slight increase in supply during the fortnight.
- Driven by good demand from industrial users and exporters, maize prices in Davangere improved by Rs. 70/Qtl over the fortnight. Market arrivals decreased during the mid-fortnight; however, at the end of the fortnight, supply increased as stockiest offloaded maize stocks due to higher demand and prevailing prices.
- In Nizamabad market, maize prices were up by Rs. 40/Qtl during the fortnight period on higher demand from starch industries on depleting stock levels. Rabi maize arrivals in the market are expected during coming fortnight.
- Very thin market activity, equivalent to no trade, is reported from Naughachia market during the fortnight 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 in a week time.
- In Ahmadabad, both the poultry and starch grade maize gained by Rs. 110 and 105/Qtl on sustained demand amid lower supply. As per trader source, daily average offtake from the market is around 20,000 bags, whereas the current supply is much lower than that.
- As per the latest data released by Ministry of Agriculture, the all India sowing acreage of maize stands at 12.32 lakh hectares as on 11th Mar. 2011, up 7,000 hectares as on date previous year which was 12.25 lakh hectares. The comparative increase in acreage is mainly in Andhra Pradesh, where sowing of Rabi maize was delayed as unseasonal rains affected timely harvesting of paddy.
- 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.
- 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 news source, Indonesian buyers imported around 200,000 tons of Indian corn last month and have commitment for 300,000 tons to be shipped in March and April. Cost and freight (C&F) from India to Indonesia in bulk is quoted at around \$325-\$330 a ton, up from C&F \$290-\$310/ton earlier.
- Rabi maize will start arriving in key markets in next fortnight time. Reportedly, Rabi maize arrivals in small quantities are reported from some market.

We feel that prices are likely to trade steady to weak as the fresh crop arrivals will soon hit the market in March, which will weigh on maize prices. However, good demand from poultry, starch industry and export market may limit sharp fall of prices.

Maize Spot Prices

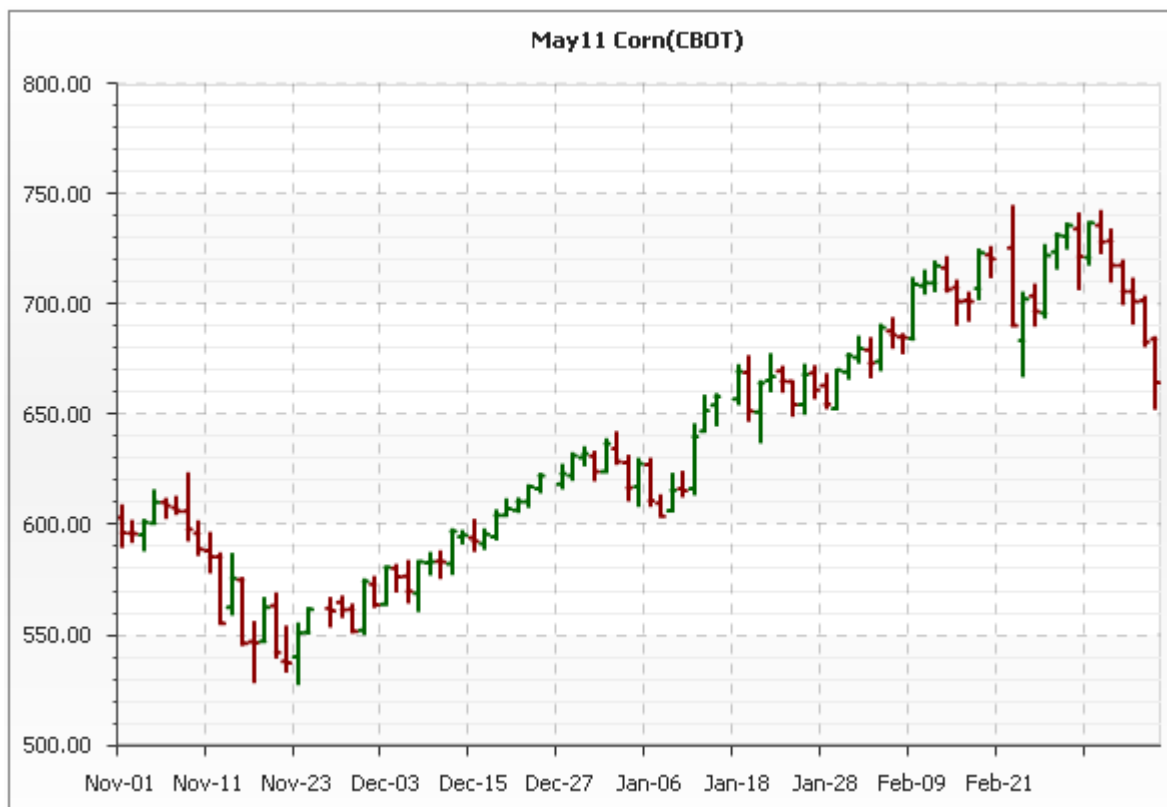
Market	Variety	Prices (Rs/qtl)			Arrivals in bags (1 bag = 1 Qtl)		
		14.03.11	26.02.11	Change	14.03.11	26.02.11	Change
Delhi	Hybrid	1225	1120	+105	400	300	+100
Nizamabad	Bilty	1160	1120	+40	300	200	+100
Davangere	Bilty	1175	1105	+70	1000	1000	Unch
Naugachia	Bilty	-	1100	-	-	500	-
Kolkata	Mill	1350	1220	+130	1000	2500	-1500
Ahmedabad	Feed	1210-1215	1100-1110	+105	1000	3000	-2000
Ahmedabad	Starch	1200-1210	1070-1100	+110	1000	6000	-5000

**International Market Highlights:**

- The USDA report on worldwide supply and demand said worldwide corn supplies would continue to be tight but with slight upticks for production in South America.
- 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.
- According to latest USDA's World Agricultural Supply and Demand Estimates (WASDE) report, corn imports are raised 1.1 million tons for Mexico with the lower production outlook. Corn imports are raised 1.0 million tons for EU-27 on stronger expected feeding. A 0.5-million-ton reduction for Russia corn imports is partly offsetting.
- As per the U.S. Department of Agriculture weekly export sales, corn export for the period February 25-March 3, 2011 totaled 477,200 MT, down 56% from the previous week and 60% from the prior 4-week average. Increased exports were reported for Mexico, Japan, Egypt, Taiwan, Indonesia and Israel.
- The USDA also left unchanged its forecast for 4.95 billion bushels of corn to be used for ethanol, up from 3.7 billion bushels in the 2009-2010 crop year.
- The massive earthquake and tsunami that struck Japan is likely to impact grain trade with the country as it is the world's top buyer of corn and projected to account for 17% of total global corn imports in the marketing year that ends Aug. 31.
- The outlook for China's corn import this year remains uncertain. Higher global corn prices have limited Chinese demand for corn imports and companies are unlikely to purchase corn at current prices.
- According to news source, China has asked its state grain buyers to slow down or even halt grain purchases in an attempt to hold down inflation.
- Maize deliveries to South African silos rose to 11.825 million tonnes in the week to March. 4, up from a revised 11.81 million tonnes the previous week, data showed on Wednesday.
- According to a news source, South Korea's Nonghyup Feed Inc. had purchased a 55,000-ton cargo of corn on last week at 193 cents higher than CBOT May futures and another cargo of the same quantity at 178.12 cents over the CBOT July contract, c&f.
- Taiwan's Maize Industry Procurement Association (MIPA) on last 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.
- 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.
- According to the information in the Mexico's Ministry of Agriculture, the import of corn increases 47.6% compared to last year. This import batch of corn mainly comes from US, South Africa and Canada. At the same time, the government will also simplify the health quarantine procedures. And they will import a certain amount of corn from Brazil and Argentina.
- As per news source, Japan, the world's biggest corn buyer, has asked an industry group to release feed grains including corn from stockpiles to ensure supply after the March 11 earthquake.
- Sri Lanka Ministry of Agriculture sources say that the government has decided to allow imports of maize. The government intends to control the price of animal feed via imports of maize. A large portion of maize cultivation was destroyed in recent floods. The government has decided to maintain the purchase price of a kilo of maize at 32 rupees.

**CBOT Market Commentary (May 11 Contract):**

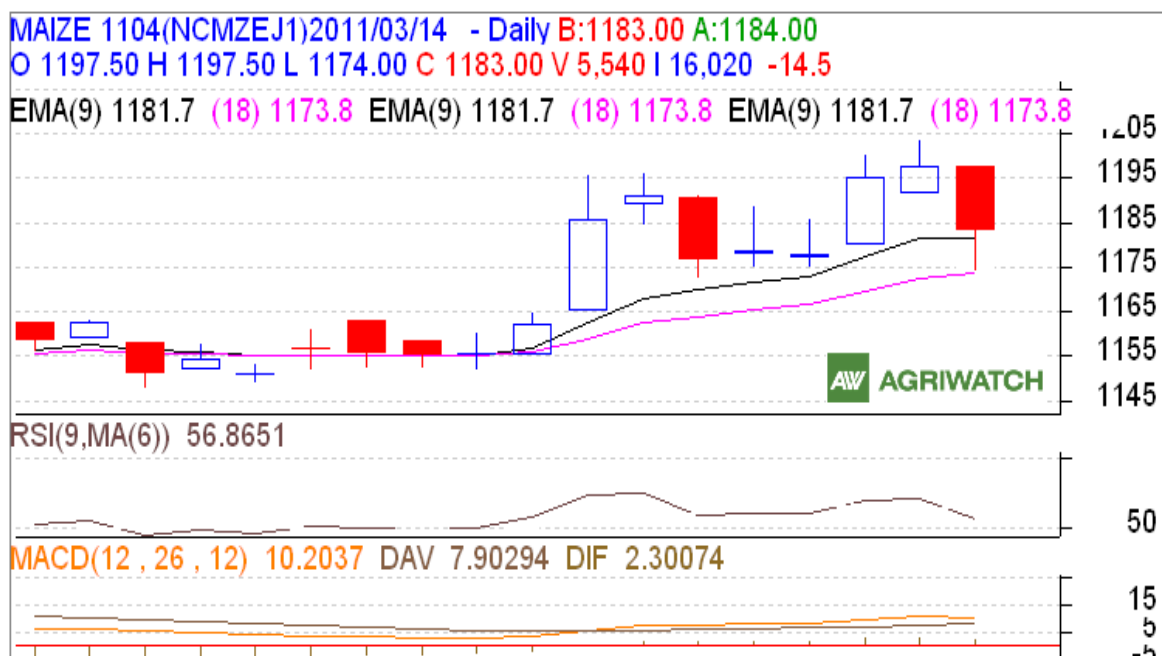
CBOT corn futures end up 10.25 points higher in the last fortnight period. However, it fell to \$6.64 1/4 after reaching \$7.28 per bushel on profit booking and political unrest in African nations. US corn futures finish at their lowest level since January as Japan's massive earthquake fuels fears about the global economy and reduced demand. The country is the world's top corn importer.

**CBOT Futures Quotes As On March 11, 2011**

Contract	Open	High	Low	Close	Change
Mar 11	677.75	677.75	646.25	659.25	-17.00
May 11	684.00	684.75	652.75	664.25	-18.50
Jul 11	689.75	690.50	659.00	670.75	-18.25

NCDEX Futures Price Movement (March Contract)

- Maize futures at NCDEX witnessed mostly sideways movement of prices in the range of 1114 to 1160, over the fortnight. Selling pressure witnessed in the beginning of the fortnight. The news of bird flu cases in the north eastern states of India seemed to have impacted the maize future considerably.


Trading Strategy

- Price improved by Rs. 35.5 /Qtl over the week in maize futures market. However, today's fall indicates reversal in the price movement which is supported by sudden increase in volume. The prices may fall in the next fortnight period.
- RSI is moving down in the neutral zone, supporting bearish momentum in near-term.
- MACD is moving down in the positive territory denoting bearish sentiment for the short term.
- Market participants are suggested to go for sell around 1185.

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-March	Sell	<1186	1178	1169	1195	1158	1150	1131.5	1203	1214

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