

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 sideways 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 down in the neutral region supporting bearish movement.
- MACD is moving up indicating bullish sentiment in the market for short term.
- Market participants are advised to buy at around 1182.

Trade Recommendation – Maize NCDEX (April Contract)

Call	Entry	T1	T2	SL
Buy	>1181	1186	1191	1175
Support & Resistance				
S2	S1	PCP	R1	R2
1162	1174	1179	1196	1202

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	15/03/11	14/03/11	
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 Wednesday.
- The Delhi, prices surged by Rs. 45/Qtl on strong demand from poultry users at current supply. Maize prices are likely to trade firm in next trading session.
- In Nizamabad, maize prices added Rs. 25/Qtl on pickup in demand from starch industries amid lower market arrivals. The maize prices may remain on firm side tomorrow. Rabi maize arrivals in Andhra Pradesh have started hitting spot markets in small quantities. Moisture content of 13-14% is reported in the fresh arrivals.
- In Davangere, maize prices dipped by Rs. 10/Qtl on slow demand from industrial users and exporters at current supply. Maize prices are likely to remain on the firm side in next trading session as strong demand is still seen in the market. Rabi maize arrivals from Andhra Pradesh are reported in this market.
- Reportedly, fresh maize arrivals in Bihar have started in very small quantities which are supporting a negligible market activity. Arrivals in higher quantities are likely to start after Holi.
- In Ahmadabad, prices were lower for both the poultry feed and starch grade maize by Rs. 05 and 15/Qtl respectively, on sluggish demand amid higher supply. However, the maize prices may remain on the higher side tomorrow.
- According to a news source, corn buyers in Japan, the world's largest importer, are delaying purchases of the grain after the March 11 earthquake and tsunami damaged ports in the nation's northeast, suspending unloading operations from vessels. Japanese companies have not made deals to buy corn since the quake hit the nation. The country imports about 12 million metric tons of corn for feed production annually and secures about 90 percent of the grain from the U.S

We feel that prices are likely to trade steady to firm for short 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 16-03-11	Chng From Prior day	Arrivals 16-03-11	Chng From Prior day
Delhi	1280	+45	400	Unch
Nizamabad	1225	+25	500	-800
Davangere	1170	-10	700	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



International Market (CBOT)

US corn futures close limit down at a nearly 10-week low as Japan's nuclear crisis spooks traders into reducing risk. Investors pull cash out of risky assets in favor of more liquid holdings. Commodity funds sold an estimated 22,000 contracts, a hefty amount. Corn led the downside in the grain markets as Japan is the world's top corn importer. Traders worry Japan may temporarily reduce its purchases following last week's disaster. CBOT May corn drops 30c limit to \$6.36/bushel.

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