

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 range bound movement of prices in the futures market.
- Prices closed above 9 day and above 18 day EMA indicating the bullish momentum in the short term.
- MACD is moving up indicating bullish sentiment in the market for short term.
- RSI is moving down in the neutral region supporting bearish movement.
- Maize futures are likely to trade range-bound with weak bias in next session.

Trade Recommendation – Maize NCDEX (April Contract)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| Sell | 1200 | 1196 | 1192 | 1205 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 1181 | 1188 | 1197 | 1206 | 1214 |

NCDEX Warehouse Stock (in Tonnes)

| Location | Dematted Stocks | | Change |
|--------------------|-----------------|-------------|-------------|
| | 21/03/11 | 19/03/11 | |
| Nizamabad | 1469 | 1469 | Unch |
| Davangere | 1555 | 1555 | Unch |
| Maize Total | 3024 | 3024 | Unch |

Market Analysis

- Mostly weak tone of sentiments witnessed in major key cash maize markets on Tuesday.
- In Delhi, prices improved by Rs. 10/Qtl, after trading steady for three straight days, on some fresh buying from poultry user at higher supply. The maize prices may trade steady to slightly firm tomorrow.
- In Davangere, maize prices dipped by Rs. 20/Qtl as compared to last trading session, on reduced offtake from exporters against higher supply. However, there is a strong demand from local users which is likely to keep the prices on higher side in coming days.
- In Nizamabad, maize prices fell by Rs. 05/Qtl on sluggish demand from starch industries at higher supply. Rabi maize arrivals have started in small quantities in Andhra Pradesh. However, increasing demand is likely to limit the pressure created by the fresh crop arrivals.
- According to a news source, South Korea contracted purchases for at least eight cargoes of corn totaling 455,000 tons this week,
- As per the U.S. Department of Agriculture weekly export sales, corn export for the period March 4-10, 2011 totaled 1.04 million MT which is noticeably higher from the previous week and up 1 percent from the prior 4-week average. . Increased exports were reported for Japan, Taiwan, Indonesia, Egypt, and South Korea. The higher weekly sales are supporting the maize prices.

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 21-03-11 | Chng From Prior day | Arrivals 21-03-11 | Chng From Prior day |
|------------|-----------------|---------------------|-------------------|---------------------|
| Delhi | 1260 | +10 | 500 | Unch |
| Nizamabad | 1220 | -05 | 500 | +200 |
| Davangere | 1125 | -20 | 1000 | +500 |
| 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 end mixed after wild swings last week as chatter about sales to China lost its luster without confirmation from the government. The USDA says exporters struck deals to sell 116,000 tons of corn to unknown destinations, leaving questions about demand from China unanswered. Futures surged late last week on talk China had made significant purchases. CBOT May corn rises 0.4% to \$6.86 1/2 a bushel.

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