

### Price Drivers

- Fresh Rabi crop arrivals.
- Higher demand from the poultry sector and exporters.
- Lowered forecasts for US inventories, tightening global food supplies after adverse weather slashed harvests.

### Technical Analysis:

- Candle stick chart pattern indicates bullish 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 flat in the overbought region suggesting short term market is still bullish.
- Market participants are advised to go for buy around 1221.

### Trade Recommendation – Maize NCDEX (April Contract)

| Call                 | Entry | T1     | T2   | SL   |
|----------------------|-------|--------|------|------|
| Buy                  | >1220 | 1225   | 1229 | 1215 |
| Support & Resistance |       |        |      |      |
| S2                   | S1    | PCP    | R1   | R2   |
| 1180                 | 1196  | 1222.5 | 1235 | -    |



### NCDEX Warehouse Stock (in Tonnes)

| Location    | Dematted Stocks |          | Change |
|-------------|-----------------|----------|--------|
|             | 24/03/11        | 23/03/11 |        |
| Nizamabad   | 543             | 1469     | -926   |
| Davangere   | 1555            | 1555     | Unch   |
| Maize Total | 2098            | 3024     | -926   |

### International Market (CBOT)

US corn futures end sharply higher on renewed talk of sales to China and concerns wet weather will delay planting. Chatter about sales to China, a non-traditional customer, revved up again after cooling the past two days as the government failed to confirm the business. Rallying wheat futures added spillover strength to corn. CBOT May corn ends up 21 1/2c to \$7.02 1/2.

### Market Analysis

- Mixed tone of sentiments witnessed in major key cash maize markets on Friday.
- In Delhi, prices dipped by Rs. 15/Qtl on reduced offtake from poultry users at current supply. The maize prices may trade steady to slightly firm tomorrow.
- In Davangere, maize prices gained Rs. 05/Qtl as compared to last trading session, on sustained demand from local users at current supply. There is a strong demand from local users which is likely to keep the prices on higher side in coming days. However, restricted supply is reported as Kharif crop is almost exhausted.
- In Nizamabad and Naughachia, sustained demands from starch and poultry users are supporting the prices at current level despite higher arrivals. Peak in market arrival is likely to start by second week of April.
- In Ahmadabad, both poultry and starch grade maize traded lower by Rs.10-20/Qtl due to spurt in arrivals. Prices in this centre are likely to trade steady in the next trading session.
- As per the U.S. Department of Agriculture weekly export sales, corn export for the period March 10-17, 2011 totaled 895,000 MT were down 14 percent from the previous week and 13 percent from the prior 4-week average. Increased exports were reported for Japan, Colombia, Venezuela, Mexico and South Korea.
- According to USDA export figures, Japan bought 221,700 metric tons of corn after the March 11 earthquake/tsunami. Japan's weekly purchases of U.S. corn, for the week of March 10-17, are running 66 per cent higher than the same period a year ago for the marketing year that begins Sept. 1.

*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 25-03-11 | Chng From Prior day | Arrivals 25-03-11 | Chng From Prior day |
|------------|-----------------|---------------------|-------------------|---------------------|
| Delhi      | 1250            | -15                 | 500               | Unch                |
| Nizamabad  | 1220            | Unch                | 700               | +200                |
| Davangere  | 1130            | +05                 | 500               | Unch                |
| Naughachia | 1150            | Unch                | 300               | +100                |

\*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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