

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 bearish movement of prices in the futures market.
- Prices closed above 9 day and above 18 day EMA indicating bullish momentum in the short term.
- MACD is moving flat suggesting sideways movement of prices.
- RSI is moving down in the overbought region indicating bearish price movement in the market ahead.
- Market participants are advised to go for sell around 1218.

Trade Recommendation – Maize NCDEX (April Contract)

Call	Entry	T1	T2	SL
Sell	<1219	1215	1211	1224
Support & Resistance				
S2	S1	PCP	R1	R2
1183	1199	1217	1244	1247

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	28/03/11	26/03/11	
Nizamabad	543	543	Unch
Davangere	1555	1555	Unch
Maize Total	2098	2098	Unch

Market Analysis

- Steady to slightly firm tone of sentiments witnessed in major key cash maize markets on Tuesday.
- In Delhi, prices traded steady for fourth straight day due to absence of fresh buying 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 lower 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 likely to lower the trading activity.
- In Naughachia, maize prices were sustained at current level despite higher supply. The moisture content of fresh Rabi crop is reported to be high at around 16% against normally accepted moisture content of 12%. Traders opined that buyers are unlikely to purchase maize at current price level which will bring the prices down. Peak in market arrival is likely to start by second week of April.
- Nizamabad spot market will remain closed, starting today, till 6th of April due to affairs related to financial year ending.
- Trading sources reveals that maize is being exported to Bangladesh on regular basis. The current FOB to the destination is quoted at around USD 275.

We feel that prices are likely to trade steady to slightly weak as the fresh crop arrival have started in the spot markets (Bihar and Nizamabad) and is likely to exert pressure on prices for short term. However, good demand from poultry, starch industry and exporters may restrict sharp fall of prices or even sustain the prices at current level.

Spot Prices at Key Markets

Centre	Prices 29-03-11	Chng From Prior day	Arrivals 29-03-11	Chng From Prior day
Delhi	1250	Unch	500	Unch
Nizamabad	CLOSED			
Davangere	1155	+05	200	-200
Naughachia	1150	Unch	250	+100

*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 lower on concerns USDA will surprise traders by reporting more grain than expected in storage as of March 1. The government will issue estimates on quarterly grain stocks in a highly anticipated crop report Thursday. Traders say stocks may exceed expectations because of the high quality of last fall's crop. Livestock and ethanol producers can usually get a bit more mileage out of high-quality corn, raising the possibility they may not have used as much of the grain. CBOT May corn tumbles 18 1/2c to \$6.71 a bushel in thin trading.

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