

**Spot Market Fundamental Highlights:**

- During the fortnight, firm sentiment witnessed in the major key cash markets of maize as a result of strong demand from industrial users and overseas market amid ending Kharif stock.
- An increase of prices ranged from Rs 05-60/Qtl has been witnessed in key cash maize markets supported by good demand.
- In Delhi market, maize prices gained Rs. 25/Qtl on sustained demand from poultry users despite slight increase in supply during the fortnight.
- Driven by good demand from starch users, maize prices in Nizamabad improved by Rs. 60/Qtl over the fortnight. Market arrivals remained nearly constant during the fortnight. Rabi maize arrivals have commenced in the spot markets and it is likely pick up by first fortnight of April.
- Nizamabad physical spot market will remain closed from 28th March to 6th April, 2011 on account of affairs related to financial year ending.
- Marginal gain of Rs. 05/Qtl in maize prices is reported from Davangere spot market over the fortnight. Market arrivals remained restricted as Kharif stock are almost exhausted. Good demands from local users were reported. However, lower supply are not meeting the quantity demanded by the exporters. The maize trading activity will gradually slow down after the month of April as the state produces very little quantity of maize during the Rabi season.
- In Bihar, fresh crop arrival has started in small quantities (around 200-300 bags/day) and currently prices are prevailing on higher side at Rs. 1150/Qtl (loose mandi price). Reported moisture content is high which is around 16-17% against normal requirement of 12%. A good number of buyers are reported in the market, however, low arrivals is not meeting the quantity demanded by the purchasers. However, 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.
- In Ahmadabad, both the poultry and starch grade maize gained by Rs. 10 and 20/Qtl on good demand from local users despite spurt in supply. Traders feel that prices may not go down drastically as good numbers of buyers are reported and it is likely that prices may remain around the current level for next fortnight.
- Maize export from India may likely to slow down if domestic prices continue on rising as higher prices may divert maize importing countries towards Argentina, due to lower parity and which also has better quality cargo.
- According to trade source, India has exported around 1-1.2 million tonnes of maize so far in current marketing season most of which was shipped to southeast Asian countries. India's current export quotes are at 305-310 USD. Around 30-40 thousand metric ton of maize is reportedly shipped to Indonesia in recent past at USD 305-310 per ton.
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- 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.

Maize Spot Prices

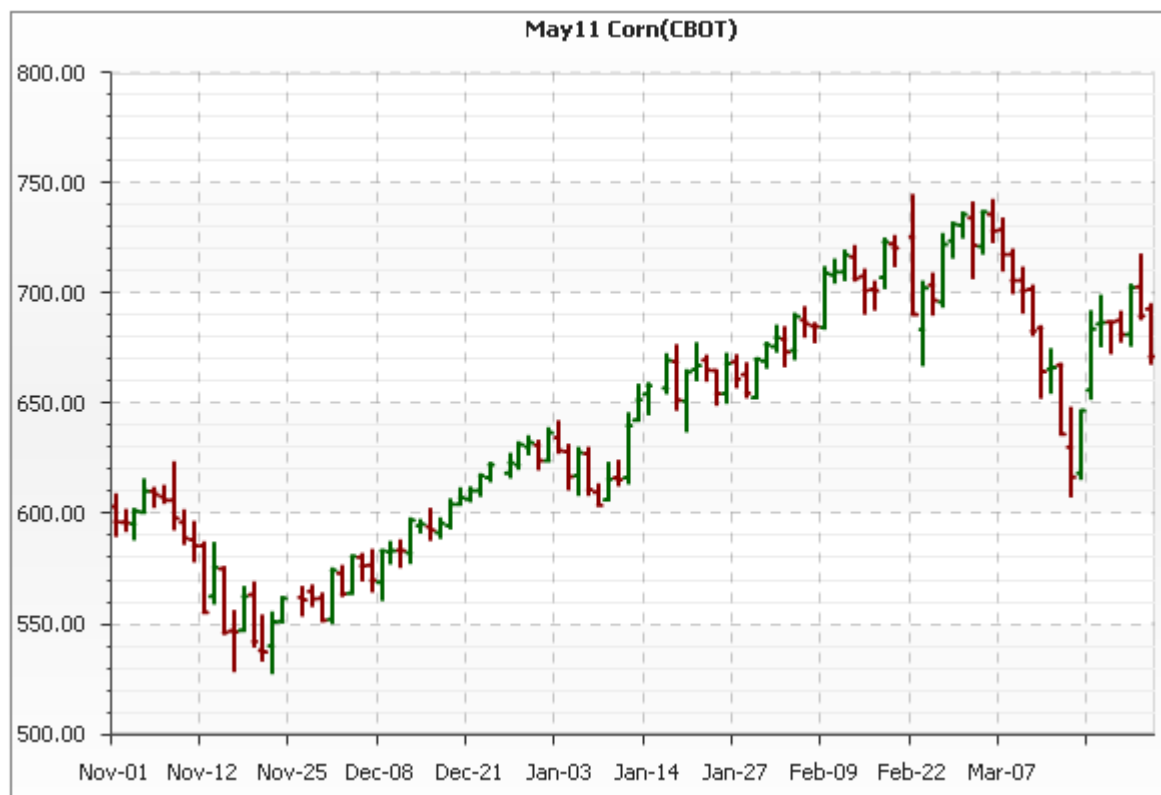
Market	Variety	Prices (Rs/qtl)			Arrivals in bags (1 bag = 1 Qtl)		
		29.03.11	14.03.11	Change	29.03.11	14.03.11	Change
Delhi	Hybrid	1250	1225	+25	500	400	+100
Nizamabad	Bilty	1220	1160	+60	400	300	+100
Davangare	Bilty	1155	1150	+05	200	1000	-800
Naugachia	Bilty	1150	-	-	250	-	-
Kolkata	Mill	1325	1350	-25	3000	1000	+2000
Ahmedabad	Feed	1210-1225	1210-1215	+10	3000	1000	+2000
Ahmedabad	Starch	1200-1230	1200-1210	+20	3000	1000	+2000

**International Market Highlights:**

- Global corn trade for 2010/11 is forecast up 0.8 million tons this month to 92.1 million. Imports for Mexico are up 1.1 million tons to 9.0 million due to the production shortfall. EU imports are boosted 1.0 million tons to 6.5 million as import licenses are large and domestic prices encourage imports. Saudi Arabia's corn import prospects are increased 0.1 million tons to 1.9 million, reflecting higher imports and feed use revealed by the latest estimates for 2009/10. However, corn imports for Russia are cut 0.5 million tons to 0.5 million as grain prices in Russia have not been high enough to encourage imports and no significant corn imports have occurred yet. Kenya's corn imports are trimmed 0.25 million tons due to sufficient domestic supplies and lower estimated 2009/10 corn imports than previously forecast.
- According to the U.S. Department of Agriculture, private exporters reported export sales of 1,250,000 metric tons of corn for delivery to unknown destinations. Of the total, 1,000,000 tons is for delivery during the 2010/2011 marketing year and 250,000 tons is for delivery during the 2011/2012 marketing year.
- 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.
- 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.
- As per a news source, Ukraine shipped 11,500 tons of corn to Russia in the month of February. Ukraine has a surplus of 3.3 million metric tons of corn. Ukraine set limits on grain exports in October in an effort to curb domestic prices after a summer drought cut the harvest. The current export limits of 4.2 million metric tons of grains are in force until March 31.
- As per news source, South Africa is exporting corn to Italy for the first time in at least 14 years which also seeks Venezuela for shipments after a record harvest this season.
- Reportedly, South Korean feed makers purchased 110,000 metric tons of corn in tenders on 16th March, and were planning to buy 190,000 tons of corn in a fresh tender.
- According to the US Grains Council, numbers of shiploads of corn on the high seas destined for Japan were being redirected away from ports that were damaged.
- According to South African Grain Information Service (SAGIS), total exports reached 1.644 million tonnes at the end of February. South Africa's maize stocks fell to 4.310 million tonnes at the end of February, compared with a revised 5.173 million tonnes at the end of January. The stocks included 3.060 million tonnes of white maize and 1.250 million tonnes of yellow.
- With a rising livestock population and continued consolidation in the livestock industry, China's feed consumption of corn is expected to grow by 2% this season as livestock herds increase. Although high prices mean farmers may substitute rice and wheat for corn, the country is still expected to import 1.5 million tons in 2010-11 and 2.5 million tons in 2011-12 later in 2011. Corn ending stocks are pegged at 46.6 million tons this season, and are expected to fall to 43.9 million tons by the end of 2011-12.
- According to Mexico's Agriculture Ministry, the country managed to replant 269,000 hectares of white corn in Sinaloa. The goal had been between 2.5 million and 3 million tons after freezes in February destroyed more than 4 million tons of the crop in the state. State's white corn production this season will be between 2.1 million and 2.3 million tons.
- Based on the CBOT value, the FOB prices for US Gulf and PNW were up slightly indicated at \$297 and \$321 per MT respectively. DDGS prices this week, on FOB (US Gulf) prices were indicated at \$260-265 per Mt for Apr-Jun delivery. ON CNF basis to Vietnam prices were indicated at \$310-312 per MT and for China at \$296-298 per MT.
- Freight rates for benchmark US Gulf-Japan was down by \$59 per MT and for PNW-Japan up to \$36 per MT. Argentina/Brazil to China was up to \$58-60 per MT.

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

CBOT corn futures end up 10.25 points higher in the last fortnight period. It fell to \$6.16 1/2 in the mid fortnight period 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. 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. However, corn prices improved on renewed talk of sales to China and concerns wet weather will delay planting.

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

Contract	Open	High	Low	Close	Change
May 11	692.75	694.75	668.25	671.00	-18.50
Jul 11	698.75	700.50	675.00	678.00	-17.50
Sep 11	646.75	651.00	628.75	631.25	-13.50

NCDEX Futures Price Movement (March Contract)

- Maize futures at NCDEX witnessed up trend movement of prices, up from 1181.5 in the beginning of fortnight, to 1217. Maize futures ended up 35.5 points higher in the last fortnight period following strong fundamental in the physical spot market.


Trading Strategy

- Maize prices closed above 9 days and below 18 days EMA.
- RSI is moving down in the neutral zone, supporting bearish momentum in near-term.
- MACD is moving flat in the positive territory suggesting range bound movement of prices for short term.
- Prices are expected to rule within the range of 1202-1230, which is good support and resistance level. However, should the prices breach the support level of 1202, the prices may fall further up to the level of 1174. Market participants may go for sell if support level is breached.

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-March	Strategy	-	-	-	-	1174	1202	1218.5	1230	1240

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