

MAIZE
April 01, 2011

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 sideways 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 range bound movement of prices.
- RSI is moving up in the neutral region indicating bullish price movement in the market ahead.
- Market participants are advised to go for buy around 1222.

Trade Recommendation – Maize NCDEX (April Contract)

Call	Entry	T1	T2	SL
Buy	>1221	1224	1227	1217
Support & Resistance				
S2	S1	PCP	R1	R2
1193	1203	1222	1228	1232



International Market (CBOT)

US corn futures finish lower as projections for exports to China diminish. The US may miss out on sales to the resource-hungry nation if China turns to Argentina for corn, analysts say. That is a possibility, as Australia & New Zealand Banking Group says Chinese food-health officials traveled to Buenos Aires to discuss quality standards of Argentine corn. Argentina is the second-largest exporter of the grain behind the US. CBOT May corn ends down 8 1/2c at \$6.63 1/4 a bushel.

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	30/03/11	29/03/11	
Nizamabad	543	543	Unch
Davangere	1555	1555	Unch
Maize Total	2098	2098	Unch

Market Analysis

- Mostly firm tone of sentiments witnessed in major key cash maize markets on Thursday.
- In Delhi, prices traded steady for over a week due to sluggish demand from poultry users at current supply. The maize prices may trade steady to slightly firm tomorrow.
- In Davangere, maize prices gained Rs. 10/Qtl as compared to last trading session, on higher offtake from local users and exporters amid increased 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 up by Rs. 30/Qtl on fresh buying at reduced supply. Market arrivals were disrupted due to heavy rainfall today, resulting in lower maize supply in the mandis. If rain continues to fall, ongoing harvesting of maize may be hindered and may impart the quality of maize that has been already harvested.
- Nizamabad spot market will remain closed till 6th of April due to affairs related to financial year ending.
- According to news source, Taiwan's Maize Industry Procurement Association, formerly known as Taiwan's Members Feed Industry Group (MFIG), bought about 43,000 tonnes of No. 2 U.S. corn via a tender on Wednesday.
- As per news source, Ukraine extended grain export quotas until July 1 and increased the maize quota by 2.0 million tonnes to 5.0 million. The quotas, introduced in October to prevent a rise in domestic bread prices after a severe drought, were due to expire on March 31.

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 31-03-11	Chng From Prior day	Arrivals 31-03-11	Chng From Prior day
Delhi	1250	Unch	500	Unch
Nizamabad	CLOSED			
Davangere	1170	+10	500	+200
Naughachia	1180	+30	200	-200

*Prices in Rs/Qtl, Arrivals in Bags (1 bag =1 qtl), All are Bilty prices except in Delhi which is for Hybrid maize.

DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>