

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 bullish momentum in the short term.
- MACD is moving up supporting bullish movement of prices.
- RSI is moving up in the overbought region warranting the bulls.
- Market participants are advised to go for sell around 1247.

Trade Recommendation – Maize NCDEX (April Contract)

Call	Entry	T1	T2	SL
Sell	<1248	1243	1240	1251
Support & Resistance				
S2	S1	PCP	R1	R2
1205	1120	1247.5	1257	1268



International Market (CBOT)

US corn futures close up the daily, exchange-imposed 30c/bushel limit on the USDA's tighter-than-expected supply estimate. Government projected March 1 inventories were down 15% from a year earlier and 2.7% below the average analyst prediction. The data set the stage for a cut next week in the USDA's forecast for end-of-season supplies, already projected to reach a 15-year low. Prices need to rise to curb demand, analysts say. CBOT May corn finishes at \$6.93 1/4; Friday's daily limit will rise to 45c.

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	31/03/11	30/03/11	
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 Friday.
- 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 with weak bias in next trading session.
- In Davangere, maize prices leaped by Rs.30/Qtl as compared to last trading session, on higher offtake from local users and exporters despite higher supply. There is a strong demand from local users which is likely to keep the prices on higher side in coming days. Maize prices may gain tomorrow on higher demand.
- In Naughachia, maize prices were up by Rs. 10/Qtl on fresh buying at reduced supply. Moisture content of maize is reported to be around 14-15%.
- As per the data released on prospective planting by USDA's National Agricultural Statistics Service (NASS), corn planted area is expected to increase by 5 percent from last year and 7 percent higher than in 2009 to 92.2 million acres.
- As per the U.S. Department of Agriculture weekly export sales, corn export for the period March 18-24, 2011 totaled 1.91 million MT, a marketing-year high, which is noticeably higher from the previous week and from prior 4-week average. Increased exports were reported for Japan, Taiwan, Egypt, South Korea and Mexico. The higher weekly sales are supporting the maize prices.

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 01-04-11	Chng From Prior day	Arrivals 01-04-11	Chng From Prior day
Delhi	1250	Unch	500	Unch
Nizamabad	CLOSED			
Davangere	1200	+30	800	+400
Naughachia	1190	+10	100	-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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