

Price Drivers

- Fresh Rabi crop arrivals.
- Higher demand from the poultry sector and exporters.
- Higher demand from starch industry.
- 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.
- Overbought conditions suggest caution near current levels.
- 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.

Trade Recommendation – Maize NCDEX (April Contract)

Call	Entry	T1	T2	SL
Buy Above	>1245	1250	1260	1238
Support & Resistance				
S2	S1	PCP	R1	R2
1220	1240	1255	1268	1275

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	02/04/11	01/04/11	
Nizamabad	543	543	Unch
Davangere	1555	1555	Unch
Maize Total	2098	2098	Unch

Market Analysis

- Steady to higher sentiment witnessed in major key cash maize markets on Monday.
- In Naughachia maize prices remained steady to higher. Arrivals were affected on the day due to rains reported in the region. While the same were reported at 100 bags a day earlier, there were no arrivals on the day.
- In Delhi, prices continued trade steady due to sluggish demand from poultry users at current supply. The maize prices may trade steady with weak bias in next trading session.
- In Ahmadabad, prices of poultry feed grade maize and starch grade maize gained Rs. 25/Qtl on higher demand from starch industry.
- In Karnataka, major markets remain closed including Davangere on account of government holiday ahead of New year (Ugadi),
- Total availability of Maize is estimated higher by 5.5% in 2010-11 as compared to anticipated rise of 2.7% in total usage.
- 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 range bound as the impact of fresh crop arrival (Bihar and Nizamabad) is likely to offset the impact of good demand from poultry and starch industry.

Spot Prices at Key Markets

Centre	Prices 04-04-11	Chng From Prior day	Arrivals 04-04-11	Chng From Prior day
Delhi	1250	Unch	500	Unch
Nizamabad	CLOSED	-	-	-
Davangere	CLOSED	-	-	-
Naughachia	1200	+10	Nil	Unch

*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)

In the last trading session: US corn futures finish sharply higher as Thursday's USDA's lower-than-expected inventory forecast fuels supply fears for a second day. Tight stocks confirm high prices hasn't slowed down demand from grain users, including livestock producers, and point toward a cut in government's season-end supply outlook next week. CBOT May corn ended up 42 3/4c, or 6.2%, at \$7.36. The daily trading limit Monday will revert back to 30c from Friday's extended level of 45c.

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