

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 indecision remain part.
- 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	>1247	1253	1257	1243
Support & Resistance				
S2	S1	PCP	R1	R2
1238	1245	1256	1262	1268



International Market (CBOT)

May Corn finished up 6 1/2 at 766 ¾ cents per bushel. News from the US Grains Council that China state reserves are likely 10-12 million tonnes less than earlier believed and that China may need to import another 2-3 million tonnes of old crop corn helped to provide underlying support. The market posted a new all-time high for the nearby futures on the bounce before drifting back lower on the day into the mid-session. News that China raised key interest rates in an attempt to slow growth and cool inflation helped to pressure the market early in the session.

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	05/04/11	04/04/11	
Nizamabad	461	543	-82
Davangere	1555	1555	Unch
Maize Total	2016	2098	-82

Market Analysis

Mixed sentiment witnessed in major key cash maize markets on another day. Range bound movements is being witnessed.

- In Naughachia maize prices remained steady. While arrivals did occur in the market, it remains absent on the prior day. Clear weather was reported in the region on the day after few days if disruption due to rains. Demand is reported higher from poultry and starch industry. Demand originates from places like Uttaranchal, Kolkata, siliguri, UP. Likely pick up in arrivals may offset impact of higher demand thus keeping the price ranged.
- Eastern part of the country mainly Bihar featured decline in Kharif sown area due to poor monsoon over eastern India due to which maize area was shifted to other crops which require less water like pulses. However, Rabi maize area in Bihar remains stable at last year's level of 0.33 million ha as winter rains supported maize cultivation.
- In Karnataka, price depict upward bias as market sources suggest major part of the crop has been consumed with 60% gone for exports which remain on a rise from Malaysia, Vietnam. While domestic demand also remains robust only 20% has been left as stock out of which 5% remains with merchants and 15% with users.
- In Delhi, prices slipped lower on the day, however market sources suggest price may remain upwardly skewed as higher export demand and lesser arrivals remain supportive causes.
- In India, Total availability of Maize is estimated higher by 5.5% in 2010-11 as compared to anticipated rise of 2.7% in total usage.

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 06-04-11	Chng From Prior day	Arrivals 06-04-11	Chng From Prior day
Delhi	1230	-20	400	-100
Nizamabad	CLOSED			
Davangere	1200	+20	400	-100
Naughachia	1200	Unch	1000	-

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