

MAIZE
April 08, 2011

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:

- Prices hover between crucial levels and if breached the level of 1245 then prices may come down.
- 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 | >1251 | 1258 | 1264 | 1247 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 1242 | 1247 | 1258.5 | 1258 | 1264 |



International Market (CBOT)

US corn futures finish lower in a setback from record highs Tuesday. Traders book profits and unwind intermarket spreads in which they had bought corn and sold soybeans, which ended slightly higher Wednesday. Market participants wait for the USDA to update supply/demand estimates in a monthly crop report Friday and widely expect forecasters to cut their outlook for season-end corn inventories. CBOT May corn slips 3 3/4c to \$7.63/bushel.

NCDEX Warehouse Stock (in Tonnes)

| Location | Dematted Stocks | | Change |
|--------------------|-----------------|-------------|-------------|
| | 06/04/11 | 05/04/11 | |
| Nizamabad | 461 | 461 | Unch |
| Davangere | 1555 | 1555 | Unch |
| Maize Total | 2016 | 2016 | Unch |

Market Analysis

Steady to positive sentiment witnessed in major key cash maize markets on Thursday. Range bound movements is being witnessed.

- In Naughachia maize prices remained steady, while arrivals remain same in the market from the prior day. Cloudy whether was reported in the region. If rains occur in the region than the fresh crop arrivals may delay 15 to 20 days. The upcoming crop of maize is already late to harvest by 15 days as rains occur in the region. Trader expects the fresh arrivals within next week. Overall demand was reported well and originates from upcountry states like Uttaranchal, Kolkata, Siliguri, and U.P.
- Newly harvested crop in Bihar contains 20% moisture owing to recent rains in the region. The recent rains also delayed harvesting if there will be further rains it may damage the quality of the standing crop.
- 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 has increased on Thursday owing to less arrivals in the market, 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 07-04-11 | Chng From Prior day | Arrivals 07-04-11 | Chng From Prior day |
|------------|--------------------|------------------------|----------------------|------------------------|
| Delhi | 1300 | +70 | 250 | +150 |
| Nizamabad | 1250 | - | 1000 | - |
| Davangere | 1200 | +5 | 400 | Unch |
| Naughachia | 1200 | Unch | 1000 | - |

*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