

MAIZE
April 12, 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:

- As charts suggested, prices are moving upward direction.
- 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 (May Contract)

Call	Entry	T1	T2	SL
Sell Below	1323	1319	1317	1325
Support & Resistance				
S2	S1	PCP	R1	R2
1317	1319	1325	1325	1335



International Market (CBOT)

US corn futures close higher as traders discount USDA's steady season-end supply forecast to focus on concerns about strong demand draining low inventories. Market participants had expected supplies to drop to a fresh 15-year low after USDA's report on March 1 stockpiles, issued last week, indicated demand had been stronger than expected. Futures prices still need to rise to curb demand, analysts said. "We haven't rationed anything yet. That's a little unnerving," said analysts. Surging crude oil prices and a weak dollar added support, traders note. CBOT May corn jumps 9c to \$7.68 a bushel

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	09/04/11	08/04/11	
Nizamabad	461	461	Unch
Davangere	1555	1555	Unch
Maize Total	2016	2016	Unch

Market Analysis

Mixed Sentiments recorded in various markets of Maize on Monday as markets couldn't find adequate cues to decide the prices either side.

- In Naughachia, maize prices remain steady on Monday. Arrivals have been increased in Naughachia market. According to traders, Cloudy whether was reported in the region. and moisture content in the maize crop is 18%. 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. Present arrivals in Bihar have increased from 1000 tonnes to 2000 tonnes but still less than the normal arrivals of 10000 tonnes this time.
- Exports are likely to be increased 5 to 7 lakh tonnes more upto July 2011, Demand is increasing from Bangladesh and Nepal. Buyers are even ready to pay more due to higher soya meal prices.
- 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 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 11-04-11	Chng From Prior day	Arrivals 11-04-11	Chng From Prior day
Delhi	1330	-20	Nil	Unch
Nizamabad	1270	+20	500	-500
Davangere	1255	-	500	-
Naughachia	1250	Unch	100	Unch

*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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