

### Spot Market Fundamental Highlights:

*During the fortnight period, firm sentiment witnessed in major key cash markets of maize as a result of strong demand from industrial users as well as from overseas market.*

- Maize prices at spot market were sturdily up and ranged from Rs 25-150/Qtl on good demand from buyer side.
- In Delhi market, maize prices gained Rs. 150/qtl on higher demand from poultry users.
- In Davangere, maize prices gained Rs. 145/Qtl as compared to last fortnight period, on higher demand from local users at current supply. There is a strong demand from local users which is likely to keep the prices on higher side in coming days. However, restricted supply is reported as Kharif crop is almost exhausted.
- In Naughachia, maize prices traded steady to slight firm and prices rose by Rs. 25/qtl on lower supply. The moisture content of fresh Rabi crop is reported to be high at around 16% against normally accepted moisture content of 12%.
- In Ahmadabad, prices of poultry grade maize gained by Rs.75/Qtl on higher offtake from poultry users whereas starch grade maize also traded firm and gained Rs. 70/qtl on better buying at lower market arrivals.
- 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.
- NCDEX spot prices of maize (feed/industrial grade) is up by 8.60 percent at Davangere, 10.40 percent at Karimnagar and 7.80 percent at Nizamabad compared to last month prices. And currently maize (feed/industrial grade) is trading in the price range of 1224 to 1264 per quintal on higher demand from the buyer's side.
- Exports are likely to be increased 5 to 7 lakh tonnes more upto July 2011, Demand is increasing from Bangladesh and Nepal. Buyers from feed industry are even ready to pay more due to higher soya meal prices.
- Maize export from India may likely to slow down if domestic prices continue on rising as higher prices may divert maize importing countries towards Argentina, due to lower parity and which also has better quality cargo.

We feel that maize is likely to trade with steady to firm sentiment and prices will be higher side for short to medium term on strong demand from local users as well as overseas market. However, traders expecting that market may get correction at this level but the unfavorable weather condition may restrict the arrivals to market which may hold the prices higher side. Maize prices are likely to trade steady to slightly weak as the fresh crop arrival have starts in the spot markets and is likely to exert pressure on prices for medium term. However, good demand from poultry, starch industry and exporters may restrict sharp fall of prices or even sustain the prices at current level.

### Maize Spot Prices

Market	Variety	Prices (Rs/qtl)			Arrivals in bags (1 bag = 1 Qtl)		
		15.04.2011	29.03.2011	Change	15.04.2011	29.03.2011	Change
Delhi	Hybrid	1400	1250	+150	Nil	500	-
Nizamabad	Bilty	1270	1220	+50	200	400	-200
Davangare	Bilty	1300	1155	+145	500	200	+300
Naugachia	Bilty	1150-1175	1150	+25	200	250	-50
Kolkata	Mill	1325-1350	1325	+25	4000	3000	+1000
Ahmedabad	Feed	1290-1300	1210-1225	+75	3000-4000	3000	+1000
Ahmedabad	Starch	1290-1300	1200-1230	+70	3000-4000	3000	+1000

### International Market Highlights:

- As per news source, Ukraine extended grain export quotas until July 1 and increased the maize quota by 2.0 million tonnes to 5.0 million. The quotas, introduced in October to prevent a rise in domestic bread prices after a severe drought, were due to expire on March 31.
- As per Buenos Aires Cereals Exchange, Argentina will harvest 20 million metric tons of corn this year, up from 19.5 million tons estimated last month.
- As per the news source, European farmers are on course to plant more maize this year, encouraged by record international prices, but progress in fieldwork has varied because of contrasting weather conditions.
- China could import the largest volumes of corn for more than 15 years in 2010-2011 but dealers may hold off buying if an influential U.S. government report this week predicts high plantings. And speculation by China could significantly boost imports this year and next has been a huge price driver for the already tight market.
- As per Agriculture Ministry's marketing service of Mexico, it will hedge between 5 million and 6 million tons of white corn during the spring-summer harvest, contributing to a stabilization of prices.
- As per USDA's recent WASDE report, Global corn production is raised 1.2 million tons with the biggest increases for Brazil, Uganda, and Paraguay and production is lowered for Indonesia, Egypt and for South Africa.
- Global 2010/11 corn trade is up slightly this month with imports raised 0.9 million tons for Indonesia and 0.5 million tons for China. The increase in expected China imports reflects the short-term decline in world corn prices in mid-March that created a buying opportunity for Chinese importers.
- Global corn consumption is increased 3.1 million tons with increases in feeding for China, Brazil, and Thailand, and increased food, seed, and industrial use for China and for several African countries where corn is a food staple.
- USDA projected global corn ending stocks are lowered 0.7 million tons.
- US weekly export sales topped trader expectations and USDA reported weekly net sales of 1.1 million metric tons, including 848,000 for the 2010-11 marketing year and 253,500 for the 2011-12 year. The old crop sales in particular bested trader expectations.

The International market is very sensitive to weather factor now, particularly with strong yields and large production needed to replenish depleted old corn crop inventories in the fall. Corn prices may continue to be well supported by a high rate of consumption and prospects for small year-ending stocks in medium term.

## CBOT Market Commentary (May 11 Contract):

After setting a fresh all-time record of \$7.83 per bushel on CBOT corn futures end up by 0.82 percent higher in the last fortnight period on shrinking supplies to settle at \$7.42 cents per bushel from \$7.36 cents per bushel. Sharp rise in CBOT corn futures mainly noticed on bullish factor that, USDA's lower-than expected inventory forecast. 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. Analysts says that, corn prices need to rise strongly in the near term to ration demand, including feed industry. And analysts feel that consumption is progressing at a rate that cannot be sustained by available supplies.

CBOT Corn fell by 4.38 percent in week ending period on speculation that rising supplies in South America may slow overseas demand for crops from the U.S., the world's biggest exporter. CBOT prices are doubled in one year period which is 104 percent higher compared to same period last year.



## CBOT Futures Quotes (As On April 15, 2011)

Contract	Current (15/04/2011)	Week ago (08/04/2011)	Month ago (15/03/2011)	Year ago (15/04/2011)	% Change over year ago
May 11	742.00	768.00	636.00	363.50	+104.12
Jul 11	749.50	774.00	642.50	373.75	+100.53
Sep 11	701.50	711.00	594.00	384.25	+82.56

### NCDEX Futures Price Movement (May Contract)

- Maize futures at NCDEX witnessed up trend movement of prices during the fortnight period, up from 1225.5 in the beginning of fortnight, to 1305. Maize futures ended up 79.5 points higher in the last fortnight period following strong market fundamentals.



### Trading Strategy (For May Contract)

- Maize prices closed above 9 and 18 days EMA.
- RSI is moving down in the neutral zone, supporting bearish momentum in near-term.
- MACD is moving up in the positive territory suggesting range bullish movement of prices for short term.
- Prices are expected to rule within the price range of 1228-1339, which is good support and resistance level. However, if prices breaches the support level of 1228, the prices will sustain at support level 1205. Market participants may go for selling at current levels.

Contract	Call	Entry	T1	T2	SL	S2	S1	PCP	R1	R2
NCDEX-March	<b>SELL</b>	1320	1288	1260	1350	1205	1228	1320	1321	1348

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