

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 suggests, price corrects from the highs, trend may remain range bound with weak bias.
- Prices closed below 9 day and above 18 day EMA and bearish sentiment may continue for short term.
- MACD is moving up, further supporting bullish movement of prices in medium term.
- RSI is moving down in neutral zone supporting the bearish movement.
- Market participants are suggested to go for selling from higher sides.

Trade Recommendation - Maize NCDEX (May Contract)

Call	Entry	T1	T2	SL
Sell	<1314	1306	1303	1319
Support & Resistance				
S2	S1	PCP	R1	R2
1289	1303	1305	1321	1331

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	18/04/11	15/04/11	
Nizamabad	461	461	Unch
Davangere	1555	1555	Unch
Maize Total	2016	2016	Unch

Market Analysis
Steady to firm sentiment was witnessed in various markets of Maize.

- Maize prices at Delhi and Davangere market remained unchanged on lack major trade activities in maize.
- Maize prices at Nizamabad market were up by Rs. 10/qttl on increased purchase from the poultry and industrial users and arrivals also increased compared to previous day.
- Maize prices at Naughachia remained unchanged on reduced offtake from the buyers on lean arrival levels.
- Regular offtake of the commodity from poultry and starch industries supporting domestic maize prices and restricting its prices to fall down despite start of Rabi crop arrival to mandies.
- Since wheat prices (Rs. 1000-1050/qttl) are lower compared to the corn prices and due to this, poultry and animal feed millers are substituting wheat in place of corn to some extent.
- IMD's long range forecast for the 2011 south-west monsoon season (June to September) released today is that the rainfall for the country as a whole is most likely to be Normal. And it is expected that India will have bumper crops in the crop year 2011-12.
- As per trades source, Australia sold feed wheat to Asia this week as corn prices climbed to a record high on shrinking global supplies and more deals are likely in the days ahead.
- Feed millers in the Philippines, Indonesia and Malaysia were inquiring about Australian feed wheat and around 15,000 tonnes was traded at around \$320 a tonne, including cost and freight (C&F).

We feel that prices are likely to trade range bound as the unfavorable weather condition restricting the arrival of fresh crop produce to markets and higher demand from poultry and starch industry may move the prices higher side for short term.

Spot Prices at Key Markets

Centre	Prices 19-04-11	Chng From Prior day	Arrivals 19-04-11	Chng From Prior day
Delhi	1400	Unch	Nil	-
Nizamabad	1300	+10	500-700	+200
Davangere	1300	Unch	400	-
Naughachia	1100-1150	Unch	3000	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)

CBOT corn futures finish higher on concerns about poor weather disrupting planting. According to MDA EarthSat Weather corn planting will stay "very slow" due to cool, wet conditions in the US Midwest and northern Plains this week. A weekly government crop-progress report next Monday should confirm expectations seeding will not advance much this week, traders predict. Today's reports will likely show planting is 6%-10% complete, up from 3% last week, traders say. CBOT May corn ends up 9 3/4c at \$7.51 3/4 a bushel.

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