

**Price Drivers**

- Fresh Rabi crop arrivals.
- Higher demand from the poultry, starch industry and exporters.
- India is likely to have normal monsoon in the current season- IMD
- Lowered forecasts for US inventories, tightening global food supplies after adverse weather slashed harvests.

**Technical Analysis:**

- As charts suggests that range bound to firm bias for short term. .
- Prices closed above 9 and 18 day EMA and bullish sentiment may continue for short term.
- MACD is moving up, further supporting bullish movement of prices in medium term.
- RSI is moving up in neutral zone supporting the bullish movement.
- Market participants are suggested to go for buying from lower levels.

**Trade Recommendation - Maize NCDEX (May Contract)**

| Call                            | Entry | T1      | T2   | SL   |
|---------------------------------|-------|---------|------|------|
| <b>BUY</b>                      | >1303 | 1309    | 1315 | 1296 |
| <b>Support &amp; Resistance</b> |       |         |      |      |
| S2                              | S1    | PCP     | R1   | R2   |
| 1294                            | 1303  | 1318.50 | 1321 | 1331 |

**NCDEX Warehouse Stock (in Tonnes)**

| Location           | Dematted Stocks |             | Change      |
|--------------------|-----------------|-------------|-------------|
|                    | 19/04/11        | 18/04/11    |             |
| Nizamabad          | 461             | 461         | Unch        |
| Davangere          | 1555            | 1555        | Unch        |
| <b>Maize Total</b> | <b>2016</b>     | <b>2016</b> | <b>Unch</b> |

**Market Analysis**

**Steady sentiment witnessed in various markets of Maize on regular supply and demand levels.**

- Maize prices at Delhi and Davangere market remained unchanged on lack major trade activities in maize. Higher demand from buyers matched by increase in arrival levels at Davangere market.
- Peak arrivals from Andhra Pradesh and Bihar may pressurize the prices in short term but regular offtake from the poultry and starch industries may hold at higher levels by supporting the maize prices.
- The expiry of the April contract kept the prices positive today and May contract prices were sturdily up on rollover of market participant's positions from April contracts.
- NCDEX maize April contract seen 19.71 percent raise in its price (in compare to launch of contract date to end) on higher demand in the market from buyer side at lean stock positions.
- 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.
- USDA reported corn planting progress (as of April 17) at 7% complete, up from 3% a week ago, but well below 16% a year ago and the ten-year average of 10%. Planting delays thus far are limited, but the concern is that delays will become more severe over the next two weeks as wet conditions stalls planting.
- China is making moves to curb domestic corn consumption by limiting processor's access to credit and limiting their purchases of corn in order to make supplies available for feed mills.

**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 20-04-11 | Chng From Prior day | Arrivals 20-04-11 | Chng From Prior day |
|------------|-----------------|---------------------|-------------------|---------------------|
| Delhi      | 1400            | Unch                | Nil               | -                   |
| Nizamabad  | 1300            | Unch                | 500-700           | Unch                |
| Davangere  | 1300            | Unch                | 400-500           | +100                |
| 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 close mixed as deferred contract months continue to rally on concerns about cool, wet weather delaying planting. Farmers need favorable conditions to sow and harvest a large crop to rebuild low inventories. Yet, forecasts show soggy conditions will disrupt sowing near term. Nearby contracts weaken on profit-taking. CBOT July corn slips 2 1/2c \$7.57 a bushel; December corn jumps 7 3/4c to \$6.76.

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