

MAIZE
May 01, 2011
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 bearish sentiment for medium term.
- Prices closed below 9 and 18 day EMA and bearish sentiment may continue for short term.
- MACD is moving down and supporting bearish movement in short term.
- RSI is moving down in neutral zone supporting the bearish movement.
- Market participants are suggested to go for selling from higher levels.

Trade Recommendation - Maize NCDEX (May Contract)

Call	Entry	T1	T2	SL
SELL	>1291	1284	1280	1295
Support & Resistance				
S2	S1	PCP	R1	R2
1282	1291	1287.5	1298	1301

NCDEX Maize Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	28/04/11	27/04/11	
Nizamabad	564	614	-50
Davangere	1555	1555	Unch
Maize Total	2119	2169	-50

Market Analysis

Mostly steady to weak sentiment continued in various markets of maize on second consecutive day.

- Maize prices continued to ease in Delhi by Rs. 45 on reduced offtake from the industrial users.
- Prices at Naughachia market were up on increased purchase from the poultry and starch industry users.
- NCDEX Maize contract (May) almost remained bearish in the week period and is down by 3.23 percent compared to the week ending closing price levels. The Rabi season crop arrival pressurizing the prices.
- Maize prices at NCDEX spot market, Nizamabad center were up by 6.95 percent in the April month period on higher demand situation during tight stock condition but prices in the last week period were down by 0.5 percent on higher arrival levels.
- As per recent weather reports, weather forecasts are accurate, then planting conditions should improve through May 5 in US and recent futures prices will encouraged farmers to plant as much corn as possible.
- As per news source, the export tax on corn in Argentina is 20% and there is a move to get is reduced to 10% and finally to zero to make farmers to get benefit from the world high prices, so as farmers can benefit from the prevailing higher prices in international market.

We feel that prices are likely to be weak on higher arrivals in the major producing regions as fresh arrival of crop produce started to markets and higher demand from poultry and starch industry may hold the prices higher side for medium term.

Spot Prices at Key Markets

Centre	Prices 30-04-11	Chng From Prior day	Arrivals 30-04-11	Chng From Prior day
Delhi	1260	-45	500-700	Unch
Nizamabad	1330	Unch	400-500	Unch
Davangere	1250	Unch	200	+50
Naughachia	975-980	+5	7000	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 US corn futures finish sharply higher on renewed weather concerns, reversing nearly Thursday's entire slide. Conditions are turning drier in the western Midwest, though planting progress may remain slow because fields are saturated with moisture and soils are cool. The 15-day maps continue to show below-normal temperatures over a pretty large portion of the Corn Belt. CBOT July corn ends up 27 1/4c to \$7.56 1/2 a bushel after falling the 30c limit Thursday.

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