

MAIZE
May 03, 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 indecision sentiment in the market.
- 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 buying from lower levels.

Trade Recommendation - Maize NCDEX (May Contract)

Call	Entry	T1	T2	SL
BUY	>1263	1271	1276	1255
Support & Resistance				
S2	S1	PCP	R1	R2
1256	1261	1287.5	1281	1294

NCDEX Maize Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	30/04/11	28/04/11	
Nizamabad	564	564	Unch
Davangere	1555	1555	Unch
Maize Total	2119	2119	Unch

Market Analysis

Mostly steady to firm sentiment in various markets of maize on improvement in offtake by traders.

- Maize prices at Delhi and Nizamabad were remained firm on reduced offtake from the industrial users.
- Prices at Naughachia market were up by Rs. 10/quintal on increased purchase from the poultry and starch industry users.
- Poultry feed grade maize prices at Ahmadabad were down by Rs. 10/quintal on reduced offtake from the poultry feed users which may shifting to wheat use in place of maize to minimize the cost of feed.
- Unseasonal rain in southern India hindering the arrivals to the market and it is expected that increased arrivals may be found in short term on improvement in weather.
- 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. Currently 9% of corn planting taken place in US.
- As per USDA report, corn inventories in the U.S. will fall to a 15-year low on Aug. 31. And prices doubled in the 12 months after adverse weather limited the size of last year's crop and demand rose for livestock feed and grain-based fuel.

We feel that prices are likely to be firm on improvement in the offtake by industrial users to meet the requirement higher demand from poultry and starch industry may continue to hold the prices higher side for medium term.

Spot Prices at Key Markets

Centre	Prices 02-05-11	Chng From Prior day	Arrivals 02-05-11	Chng From Prior day
Delhi	1260	Unch	800-1000	Unch
Nizamabad	1330	Unch	400-500	Unch
Davangere	1260	+10	200	Unch
Naughachia	1010	+10	6000-7000	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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