

MAIZE
May 05, 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 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 selling.

Trade Recommendation - Maize NCDEX (May Contract)

Call	Entry	T1	T2	SL
SELL	<1250	1243	1239	1259
Support & Resistance				
S2	S1	PCP	R1	R2
1227	1236	1238	1252	1266



International Market (CBOT)

CBOT corn futures settled mixed, with nearby futures contracts ending at lowest points since late March, as investment money flowed out of old crop commodity contracts. Funds liquidated long old crop positions, with lack of fresh supportive fundamental news weighing on prices. New crop futures however, held firm, supported by ongoing planting delays. CBOT July corn ended 10 3/4c, or 1.5%, lower at \$7.23 3/4 a bushel; Dec corn ended up 1c at \$6.62 1/4.

NCDEX Maize Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	03/05/11	02/05/11	
Nizamabad	564	564	Unch
Davangere	1555	1555	Unch
Maize Total	2119	2119	Unch

Market Analysis

Mostly mixed sentiment continued in various markets of maize on Wednesday.

- Maize prices at Delhi continued to remain steady as a result of lack trading activities for maize, wherein high prices of maize provoking poultry users to use in feed and replacing it with low quality wheat.
- Maize prices at Naughachia remained steady on reduced offtake from the poultry and starch users on reduced arrival levels.
- Nizamabad market were continued to move down by Rs. 10/quintal on increased arrivals of Rabi maize to which exerting pressure on prices at existing higher demand from poultry and starch industry users.
- Maize offtake from Davangere prices were higher today as it was closed yesterday due to election and prices were up by Rs. 30/quintal on increased offtake from the poultry and starch 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 (mainly in north India) in place of maize to minimize the cost of feed.
- South African maize futures rose on Tuesday, defying global trends, as investors looked at potential export markets for the country's harvests. South African corn looked cheap compared to its global counterparts.
- USDA reported corn planting progress as of May 1 at 13% complete and lagged planting progress supported new crop contract futures at CBOT in earlier days and prices came down considerably on weather reports that weather improvement in short term which will facilitate improved planting.

We feel that prices are likely to be steady to weak on higher arrivals from major Rabi maize growing areas but the 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 03-05-11	Chng From Prior day	Arrivals 03-05-11	Chng From Prior day
Delhi	1240	Unch	700	-300
Nizamabad	1310	-10	400-500	Unch
Davangere	1320	+30	200	Unch
Naughachia	1000	Unch	4000	-4000

*Prices in Rs/Qtl, Arrivals in Bags (1 bag =1 qtl), All are Bilty prices except in Delhi which is for Hybrid maize.

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