

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 in oversold zone and bearish movement may terminate in short term.
- RSI is moving up in neutral zone supporting the bullish movement.
- Range bound to weak market movement may expect in next trading session and market participants are suggested to go for selling.

Trade Recommendation - Maize NCDEX (May Contract)

Call	Entry	T1	T2	SL
SELL	<1242	1236	1232	1246
Support & Resistance				
S2	S1	PCP	R1	R2
1227	1234	1237.5	1252	1259



International Market (CBOT)

CBOT corn ends sharply lower on good US planting weather and outside market pressure. Combination of rapid planting progress, particularly in Iowa, and pressure from a broad-based recent plunge in commodities, "is a death trap for corn," analyst said. Market tumbled 9.3% on the week as crude oil plunged to an eight-week low. While corn supplies remain very tight, improved weather eases worries that the soggy weather would lead to fewer corn acres and lower yield. CBOT July corn ends down 22 1/2c, or 3.2%, to \$6.86 1/4.

Market Analysis

Mostly weak sentiment featured in various cash markets of maize on Monday.

- Due to lack of trading activity at Delhi maize market prices are continued to remain steady.
- Maize prices at major markets mainly Davangere and Nizamabad were decreased by Rs. 10/qtl and Rs. 85/qtl respectively.
- Higher supply in domestic market and sluggish demand put pressure on traders to reduced holdings. As per trade information, sluggish demand from bio-fuel and cattle-feed making industries also brought down the maize prices in domestic market.
- Sources also revealed that, arrivals will be increased in coming days which pressure on maize market might in short term.
- Poultry feed users may shift to use low quality wheat in the feed ingredient in place of maize as bumper wheat production achieved in the country this year and continued ban on wheat may bring prices at more cheap level which will provoke poultry feed to use higher amount of wheat.
- Good U.S. planting weather also pressurizes the international maize prices, which also affect the domestic market to gain.
- China is behind one of the biggest-ever purchases of US corn will underpin prices of the grain, even if the US harvest recovers from sowing delays to achieve bumper yields.

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 09-05-11	Chng From Prior day	Arrivals 09-05-11	Chng From Prior day
Delhi	1240	Unch	2000	800
Nizamabad	1310	85	1000	200
Davangere	1220	10	250	Unch
Naughachia	1025	5	10000	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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