

## 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 bullish sentiment in the market.
- Prices closed above 9 and below 18 day EMA suggesting bullish sentiment in market participants.
- MACD is moving down in negative zone and current expectations continue with bearish movement for short term.
- RSI is moving up in neutral zone supporting the bullish movement.
- Range bound to firm market movement expected in next trading session and market participants are suggested to go for buying.

## Trade Recommendation - Maize NCDEX (May Contract)

Call	Entry	T1	T2	SL
<b>BUY</b>	>1243	1252	1257	1229
Support & Resistance				
S2	S1	PCP	R1	R2
1236	1242	1254	1258	1267



## International Market (CBOT)

CBOT corn futures trim gains as traders wait for federal forecasters to issue monthly supply and demand estimates Wednesday. Nearby contract months cling to moderate gains as the market continues to recover from last week's slide in commodity prices. Deferred contracts slip slightly. The market is not in the mood to have any major selloff because as have a report tomorrow and we just came off a big selloff. CBOT July corn recently up 8 1/2c at \$7.16 a bushel; December corn stumbles 1/4c to \$6.57 1/4.

## NCDEX Maize Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	10/05/11	09/05/11	
Nizamabad	336	336	Unch
Davangere	1555	1555	Unch
Maize Total	1891	1891	Unch

## Market Analysis

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

- Maize prices at southern states like Davangere and Nizamabad market were down by Rs. 25/qtl and Rs. 50/qtl on better arrival prospects amid stockists are holding maize stock to avoid sell at prevailing lower level prices.
- Nizamabad mandi activities for maize produce are in slow phase as a result of glut in the market with heavy arrival of paddy.
- Maize prices at Naughachia also down by Rs. 5/quintal and arrival levels found increase with moisture content level of 14-15%.
- Bajra prices at domestic market are in increasing trend and up by Rs. 30/quintal (prevailing bajra prices- Rs. 1020/quintal) on higher demand from poultry units to substitute maize with bajra which will help to reduce the cost of poultry feeding in lack of demand for poultry products.
- Prevailing maize FOB prices in India is \$310-320/ton and lack of overseas demand kept maize exports in slow phase. Due to lack of export demand as result of higher corn prices brought US FOB prices down at \$295-297/ton and lack of export demand.
- Rains are expected to slow corn planting across the US this week after farmers made significant progress last week. Farmers in the eastern Midwest of US are struggling to sow the crop and traders remain most concerned about the very slow pace of planting (corn plantings at 13 per cent complete as of Sunday, off last year's pace of 66 per cent complete this time last year).

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 11-05-11	Chng From Prior day	Arrivals 11-05-11	Chng From Prior day
Delhi	1240	Unch	2000	Unch
Nizamabad	1240	-50	600	-100
Davangere	1225	-25	120	-80
Naughachia	1020	-5	5000	+1000

\*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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