

### 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 suggesting bearish sentiment in market.
- MACD is moving down in negative zone and current expectations continue with bearish movement for short term.
- RSI is moving down in oversold region and bearish movement may terminate here.
- Range bound to weak market movement expected in next trading session and market participants are suggested to go for selling.

### Trade Recommendation - Maize NCDEX (June Contract)

Call	Entry	T1	T2	SL
<b>SELL</b>	<1240	1234	1230	1250
Support & Resistance				
S2	S1	PCP	R1	R2
1212	1227	1226	1250	1259



### International Market (CBOT)

CBOT corn futures finish mixed, with nearby contracts rising on improved demand. Grain users increased purchases following a recent selloff, with South Korean buyers making their first major purchases in nearly two months. Traders worry the demand will drain already-tight inventories. The USDA announced exporters sold 271,200 metric tons of corn to "unknown destinations" for delivery during the next marketing year, though deferred contracts slipped. CBOT July corn ends up 1 1/2c at \$6.82 a bushel; December corn loses 3 1/2c to \$6.27.

### NCDEX Maize Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	13/05/11	12/05/11	
Nizamabad	336	336	Unch
Davangere	1547	1547	Unch
<b>Maize Total</b>	<b>1883</b>	<b>1883</b>	<b>Unch</b>

### Market Analysis

#### *Mostly steady sentiment featured in various cash markets of maize on Saturday.*

- Nizamabad markets remained steady and increased arrivals noticed on Saturday. Farmer selling has slowing due to lower prices.
- Prices at Davangere market remained steady to firm in the week period and prices at Nizamabad were considerably down by 9.16 percent on pressure from high Rabi arrivals.
- NCDEX spot maize (feed/industrial grade) prices were considerably down compared to previous week ending prices. In Nizamabad prices were down by 2.9 percent and in Karimanagar by 4.6 percent on higher arrival of Rabi maize in the area. In Davangere, maize price were up by 0.4 percent on lack of arrivals (Lesser acreage under Rabi maize).
- U.S. export sales of corn jumped 61 percent from a week earlier. U.S. farm exports climbed to an all-time high of \$75 billion during the first half of the 2011 fiscal year- USDA.
- As per U.S. government data, Corn imports by China, the world's second-largest user, may climb to 10 million metric tons this year as demand expands and may push the prices higher.
- As per the news source, Asian grain importers are turning to corn again as prices continue to fall from a record hit month. Japan, world's largest corn importer has now covered at least 40% of its requirements for July-September shipments.

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 13-05-11	Chng From Prior day	Arrivals 13-05-11	Chng From Prior day
Delhi	1230	Unch	1500	Unch
Nizamabad	1190	Unch	1000	+300
Davangere	1255	+5	200	Unch
Naughachia	1025	Unch	4000	Unch

\*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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