

Price Drivers

- Higher production estimates for current Rabi season.
- Expected increase in demand from the poultry sector.
- Lower crop estimates in U.S.

Technical Analysis:

- Candlestick chart depicts sideways movement of maize futures prices.
- Prices closed below 9 and above 18 days EMA, suggesting range bound market ahead.
- MACD is moving downward in positive territory indicating bearish sentiment.
- RSI and Stochastic is easing in neutral zone supporting bearish market ahead.
- Further decline in prices can be anticipated should it go down below 1035, which is a good support level. It is advisable to stay away from the market.

Trade Recommendation – Maize NCDEX (January)

Call	Entry	T1	T2	SL
Stay away				
Support & Resistance				
S2	S1	PCP	R1	R2
1029	1035	1038.5	1044	1049

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	04-01-11	03-01-11	
Nizamabad	1296	1296	Unch
Davangere	350	350	Unch
Maize Total	1646	1646	Unch

Market Analysis:

- Mixed tone of sentiment witnessed in key maize cash markets.
- In Delhi, prices continued to trade higher by Rs. 10/Qtl on good demand from feed industry at current supply. Traders feel that prices are likely to trade firm ahead. Maize quality is reported to be good.
- In Davangere, maize prices improved by Rs. 5/Qtl on some fresh buying at current supply.
- In Nizamabad and Naughachia, prices traded steady in absence of fresh buying.
- According to weekly crop coverage report released by Govt. of Andhra Pradesh, the total maize sown stands at 2.14 lakh hectares, as on 5th Jan. 2011, which is 71% of normal maize sown in a season.
- The U.S. agency maintained its output forecast for Brazil at 67.5 million metric tons this season.

We feel that prices are likely to trade steady to slightly firm in days ahead on demand from poultry, starch industry and export market.

Spot Prices at Key Markets

Centre	Prices 05-12-10	Chng From Prior day	Arrivals 05-12-10	Chng From Prior day
Delhi	1055	+10	300	Unch
Nizamabad	1045	Unch	500	Unch
Davangere	910	+05	15000	Unch
Naughachia	1100	Unch	500	Unch

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



International Market (CBOT)

U.S. corn futures closed lower on profit-taking and widespread selling of commodities. Agricultural markets were caught up in a broad selloff that hit crude oil and precious metals. Forecasts for rain in Argentina added pressure after unfavorable heat and dryness there pushed corn futures to 29-month highs Mon. March futures were 12 cents lower at \$6.08 1/2. The May contract was 11 3/4 cents lower at \$6.16 3/4. December 2011 settled 9 cents lower at \$5.43 1/2.

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