

Price Drivers

- Weak sowing progress of rabi crop.
- Expected increase in demand from the poultry sector.
- Lowered forecasts for US inventories, tightening global food supplies after adverse weather slashed harvests.

Technical Analysis:

- Maize chart depicts selling pressure in the market.
- Prices closed above 9 and 18 day EMA, suggesting bullish market for short term.
- RSI is moving up in neutral region and bullish market for short term.
- The maize prices may ease slightly in next trading session but the strong support level at 1049 will hold the prices above the level. Market participants can go for buying at level 1049.

Trade Recommendation – Maize NCDEX (January)

Call	Entry	T1	T2	SL
Buy	>1049	1058	1063	1042
Support & Resistance				
S2	S1	PCP	R1	R2
1042	1049	1053.5	1062	1066

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	13-01-11	11-01-11	
Nizamabad	1296	1296	Unch
Davangere	604	502	+102
Maize Total	1900	1798	+102



International Market (CBOT)

US corn futures finished near a 30-month high as the market tried to slow demand for limited supplies and encourage farmers to expand spring plantings. The market continued to feel support from the government crop report, issued Wed, that tightened the outlook for end-of-season inventories, already projected at a 15-year low. CBOT March corn closed up by 11.50 cents at \$6.42 1/2 a bushel.

Market Analysis:

- Steady to firm sentiment witnessed in major maize cash markets.
- The prices are expected to move up on expected domestic demand from poultry feed industry and overseas demand.
- In Davangere, maize prices were up by Rs. 10/qlt compared to previous day prices as a result of higher demand from the industrial users as well as export demand on increased arrival levels.
- As per the latest data released by Ministry of Agriculture, the all India sowing acreage of maize stood at 9.91 lakh hectares as on 7th Jan 2011, down 0.43 lakh hectares as on same date last year which was 10.34 lakh hectares.
- Global corn ending stocks are projected 3.0 million tons lower with more than two-thirds of the reduction in the United States - USDA.
- Global 2010/11 coarse grain trade is lowered as higher expected prices and tighter supplies reduce corn imports and exports- USDA.
- Corn prices at CBOT futures market are skyrocketing after the USDA lowered this year's production forecasts for crops, which already is in tight supply.

We feel that prices are likely to trade steady to firm in days ahead on weak sowing progress of rabi crop along with strong demand from poultry, starch industry and overseas market.

Spot Prices at Key Markets

Centre	Prices 14-01-11	Chng From Prior day	Arrivals 14-01-11	Chng From Prior day
Delhi	1075	Unch	300	Unch
Nizamabad	Closed	Closed	Closed	Closed
Davangere	990	+10	10000	+3000
Naughachia	1075-1100	Unch	500	Unch

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

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