

#### 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:

- Candle stick pattern shows bullish movement.
- 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.
- MACD is moving up and depicting bullish sentiment in short term.
- As the bullish sentiment found for maize futures, participant are suggested to go for buying position in next trading session at level 1103.

#### Trade Recommendation – Maize NCDEX (February Contract)

Call	Entry	T1	T2	SL
Buy	>1103	1108	1110	1100
Support & Resistance				
S2	S1	PCP	R1	R2
1084	1092	1108	1116	1126

#### NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	17-01-11	15-01-11	
Nizamabad	1296	1296	Unch
Davangere	604	604	Unch
Maize Total	1900	1900	Unch



#### International Market (CBOT)

CBOT corn futures trade at range bound to higher levels on concern that inventories will be lower than expected in the U.S., the world's largest grower and exporter. USDA cut its estimate on the U.S. corn harvest in 2010 and said inventories will fall to 5.5 percent of consumption, the lowest since 1996. Tightening global inventories will increase demand for U.S. corn crop and prices will be higher side. Analysts expect nearby corn futures to be bound by \$6.60 on the upside and \$5.80 on the downside, until we get into the growing season.

#### Market Analysis:

- Steady to Firm sentiment witnessed in maize key cash markets as result of better offtake from the industrial users.
- In Davangere, prices were up by Rs.10/qtl on increased demand from the industrial users amid with decreasing stock levels. The prices are expected to move up on expected domestic demand from poultry feed industry and overseas demand.
- Maize futures price at NCDEX hits upper circuit during morning trading session and the day session closed with bullish sentiment.
- As per the latest data released by Ministry of Agriculture, the all India sowing acreage of maize stood at 10.34 lakh hectares as on 14<sup>th</sup> Jan 2011, down 0.46 lakh hectares as on same date last year which was 10.80 lakh hectares.
- The unseasonal rain seems to have affected the coverage of rabi maize sowing.
- Corn production in Argentina may fall to 20.4 million tons from 22.5 million last year.
- Global 2010/11 coarse grain trade is lowered as higher expected prices and tighter supplies reduce corn imports and exports. Global corn trade forecast for 2010/11 is reduced 1.1 million tons to 90.9 million- USDA.
- U.S. corn futures trading at a 30-month high as amid expectations for prices to strengthen on long-term supply concerns.

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 18-01-11	Chng From Prior day	Arrivals 18-01-11	Chng From Prior day
Delhi	1075	Unch	300	Unch
Nizamabad	1075	15	300	Unch
Davangere	1000	Unch	12000	2000
Naughachia	1075-1100	Unch	500	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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