

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	>1121	1127	1133	1117
Support & Resistance				
S2	S1	PCP	R1	R2
1084	1090	1123.50	1135	1140

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	19-01-11	18-01-11	
Nizamabad	1341	1341	Unch
Davangere	703	604	99
Maize Total	2044	1945	99



International Market (CBOT)

US corn futures fell hard on profit-taking and talk China bought Australian wheat as a substitute feed ingredient. Market was due to correct after reaching 30-month high. Commodity funds sold an estimated 22,000 contracts, a large amount. "The market has been well over-bought,". Chatter that China booked 500,000 tons of feed-grade Australian wheat indicates, Market participants had projected China would buy make significant corn purchases. CBOT March corn ends down 18 1/4c at \$6.41 1/4 a bushel.

Market Analysis:

- Firm sentiment witnessed in maize key cash markets as result of increased demand from industrial users.
- The arrivals across the spot markets have been decreasing and good demand from the starch manufacturers is prevailing across the spot markets.
- In Davangere, prices were steady on increased demand from poultry feed industry and overseas demand amid with decreasing stock levels.
- In Nizamabad, prices were steady on higher demand and supply condition.
- Maize futures at NCDEX trading with bullish sentiment because of higher demand and short covering.
- China's grain imports in 2010 rose sharply, led by an 18-fold increase for corn.
- Corn demand likely to be increase from china's downstream processing industry owing with the rise of large scale hog farms and intense pressure for more feedmeal.
- 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 14th 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.

We feel that prices are likely to trade with firm bias 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 20-01-11	Chng From Prior day	Arrivals 20-01-11	Chng From Prior day
Delhi	1075	Unch	300	Unch
Nizamabad	1080	Unch	300	Unch
Davangere	1020	+20	12000	Unch
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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