

#### 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 overbought region giving caution that bearish market in short term.
- MACD is moving up and depicting bullish sentiment.
- As per the market's bullish sentiment, participants are suggested go for buying at level 1155.

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

Call	Entry	T1	T2	SL
BUY	<1155	1060	1064	1048
Support & Resistance				
S2	S1	PCP	R1	R2
1044	1049	1058.5	1066	1169

#### 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)

CBOT corn futures closed higher Friday on strong export demand, a rally in wheat and worries about whether farmers will plant enough acres this year. A 2.6% rally in wheat lifted corn because both grains are used for animal feed. Wheat soared on strong export demand for the US crop. Weekly US corn export sales, issued Friday for the week ended Jan. 13, also were strong at 1 million ton. Market participants worry about demand draining already-tight end-of-season supplies. CBOT March corn closes up 3.25 cents at \$6.57 1/4 a bushel.

#### Market Analysis:

- Firm sentiment witnessed in maize key cash markets.
- The arrivals across the spot markets have been decreasing and good demand from the industrial users is prevailing across the spot markets.
- In Davangere, prices were up by Rs. 18/qtl on increased demand from industrial users and overseas demand amid increased arrival levels.
- In Nizamabad, prices were steady on thin trading activities at lower supply levels.
- Maize futures at NCDEX continued to trade with bullish sentiment for the fifth day on higher demand from the industrial users.
- 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.
- CBOT maize prices have been rallying as the market seeks to find a level to cool down the grain purchases that threaten to deplete global supplies.
- 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 22-01-11	Chng From Prior day	Arrivals 22-01-11	Chng From Prior day
Delhi	1025	Unch	300	Unch
Nizamabad	1090	Unch	300	Unch
Davangere	1038	+18	20000	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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