

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 bearish movement.
- Prices closed above 9 and 18 day EMA, suggesting bullish market for short term.
- RSI is moving down in overbought region giving caution that bearish market may continue for medium term.
- MACD is moving up and depicting bullish sentiment.
- As per the market's bearish sentiment, participants are suggested go for selling at level 1148.

Trade Recommendation – Maize NCDEX (February Contract)

Call	Entry	T1	T2	SL
SELL	<1148	1039	1035	1056
Support & Resistance				
S2	S1	PCP	R1	R2
1027	1044	1044.5	1058	1164

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:

- Steady to weak sentiment witnessed in maize key cash markets.
- In Davangere, prices were down by Rs. 5/qlt on increased arrival amid higher demand from industrial users and overseas demand.
- In Nizamabad, prices were steady on thin trading activities at lower supply levels.
- Maize futures at NCDEX traded with weak bias and lost 14.5 points on profit booking by traders.
- Maize futures found bearish movement after six days rally which was due to higher demand from the industrial users. As per the traders view, fresh supply of new crops into the markets may weigh on prices in short term.
- 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.
- 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 steady to weak bias for short term on profit booking by traders and firm sentiment ahead is expected 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 24-01-11	Chng From Prior day	Arrivals 24-01-11	Chng From Prior day
Delhi	1025	Unch	300	Unch
Nizamabad	1090	Unch	300	Unch
Davangere	1035	-3	22000	+2000
Naughachia	1075-1100	Unch	500	Unch

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

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