

### 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 below 9 and 18 day EMA, suggesting bearish market ahead.
- RSI is moving down in neutral region giving caution that bearish market may continue for medium term.
- MACD is moving down depicting bearish sentiment.
- As per the market's bearish sentiment, participants are suggested to go for sell at level below 1109.

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

Call	Entry	T1	T2	SL
<b>SELL</b>	<1109	1105	1101	1113
Support & Resistance				
S2	S1	PCP	R1	R2
1080	1085	1108.5	1137	1144

### NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	25-01-11	19-01-11	
Nizamabad	1341	1341	Unch
Davangere	703	703	Unch
<b>Maize Total</b>	<b>2044</b>	<b>2044</b>	<b>Unch</b>



### International Market (CBOT)

US corn futures close solidly higher on renewed supply concerns. The market bounced back after falling Tuesday on general selling of commodities. Corn futures need to rise to slow strong demand and encourage US farmers to expand plantings this fall to replenish supplies. End-of-season corn supplies are projected at a 15-year low. CBOT March corn ends up 13 3/4c at \$6.57 3/4 a bushel. May 6.68 up 13 3/4, Jly 6.72 3/4 up 13 3/4, Sep 6.24 3/4 up 12.

### Market Analysis:

- Mixed tone of sentiment witnessed in maize key cash markets.
- In Delhi, prices were up by Rs. 15/Qtl driven by higher demand from poultry users at current supply. Traders feel that prices will remain firm ahead.
- In Nizamabad, prices improved by Rs. 5/Qtl on sustained demand at reduced arrivals.
- In Davangere, maize prices were steady due to sluggish demand despite lower arrivals. However, regular demand from exporters is reported.
- Subdued trading activity is reported in Bihar due to lack of fresh arrivals.
- As per weekly crop coverage report released by Govt. of Andhra Pradesh, the total maize sown in the state stands at 2.45 lakh hectares, as on 25<sup>th</sup> Jan. 2011, which is 98% of maize sown in a season.
- Regular export of maize from Indian ports to South-East Asian countries is reported.
- Higher supply of weather-damaged Australian wheat is meeting the strong demand for livestock feed to Asian buyers as a substitute for costlier corn.

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 27-01-11	Chng From Prior day	Arrivals 27-01-11	Chng From Prior day
Delhi	1050	+15	300	Unch
Nizamabad	1095	+05	200	-100
Davangere	1035	Unch	20000	-2000
Naughachia	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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