

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 indecision in the market.
- Prices moving with below 9 and 18 day EMA, indicating bearish movement in short term.
- RSI is moving down in neutral region suggesting bearish market in short term.
- MACD is moving down depicting bearish sentiment.
- As the bullish trend expected in the next trading session, market participants are suggested to go for buy at level around 1095.

Trade Recommendation – Maize NCDEX (February Contract)

Call	Entry	T1	T2	SL
BUY	>1092	1102	1106	1086
Support & Resistance				
S2	S1	PCP	R1	R2
1092	1084	1100.5	1106	1111

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	29-01-11	27-01-11	
Nizamabad	1341	1341	Unch
Davangere	751	703	+48
Maize Total	2092	2044	+48



International Market (CBOT)

US Corn prices are consolidating just below their recent 2-1/2 year high. The major bullish factors are- the EPA's decision to allow a 15% ethanol mix, which was mildly bullish for long-term ethanol and corn demand, with USDA's action on Jan 12 to cut its 2010 US corn crop estimate and cut its 2010-11 US and global carry-over estimates, with global inventories falling to a 4-year low. Bearish factors include- the statement from the China National Grain & Oils Information Center that China's livestock producers have halted purchases of US corn because of surging prices.

Market Analysis

- Mixed tone of sentiment witnessed in maize key cash markets.
- In Nizamabad, prices were down by Rs. 10/Qtl on reduced offtake from the starch industries at current supply. Sustained demand and restricted arrivals in short term are likely to keep the prices on higher side.
- In Davangere, prices were up by Rs. 30/qtl on good demand for export at lower supplies.
- Maize trading activities at Delhi and Naughachia market were remained sluggish on reduced arrival levels to the market.
- As per the latest data released by Ministry of Agriculture, the all India sowing acreage of maize stood at 10.92 lakh hectares as on 28th Jan 2011, down 0.13 lakh hectares as on date last year which was 11.05 lakh hectares.
- U.S. corn demand got a boost on Friday from a sale to Japan. The government reported that private exporters struck deals to sell 151,683 metric tons of corn for delivery to Japan during the 2010-11 marketing, which ends on Aug. 31.
- Though the weather condition in Argentina has improved, after dryness at early stage of crop, the corn production is still expected to be lower. Corn harvesting in Argentina starts next month.
- Corn prices at CBOT futures market may rise on improved demand for supplies from the U.S., the world's biggest producer of both crops.

We feel that prices are likely to trade with steady to firm bias for medium term 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 31-01-11	Chng From Prior day	Arrivals 31-01-11	Chng From Prior day
Delhi	1150	Unch	300	Unch
Nizamabad	1100	-10	200	Unch
Davangere	1020	+30	12000	+4000
Naughachia	1100	Unch	200	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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