

### Price Drivers

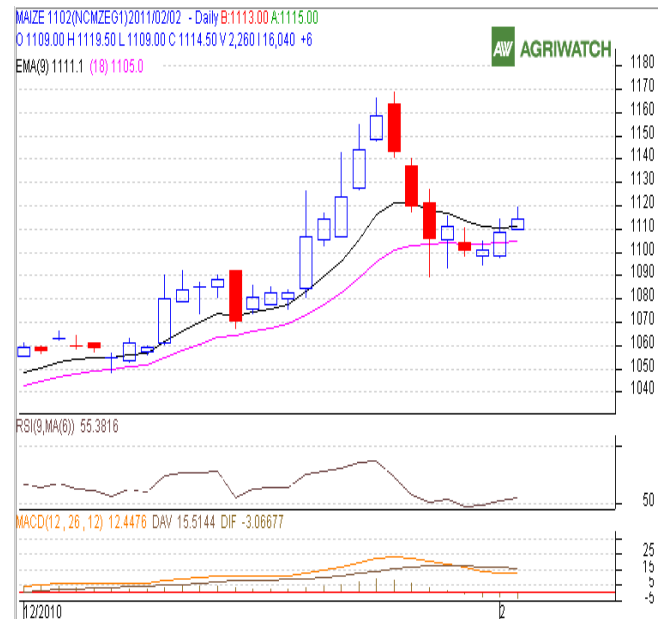
- Weak sowing progress of rabi crop.
- Expected increase in demand from the poultry sector.
- Lowered forecasts for US inventories, tightening global food supplies after adverse weather slashed harvests.

### Technical Analysis:

- Candle stick pattern shows sideways movement in maize prices.
- Prices closed above 9 and 18 day EMA, indicating bullish market ahead.
- RSI is moving up in neutral region suggesting bullish 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 1113.

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

Call	Entry	T1	T2	SL
<b>BUY</b>	>1112	1116	1119	1108
Support & Resistance				
S2	S1	PCP	R1	R2
1092	1106	1114	1126	1133



### International Market (CBOT)

US corn futures close at 30-month highs thanks to strong demand from ethanol and livestock producers. Traders predict the USDA may cut its forecast for end-of-season corn supplies again next week due to strong ethanol production. Supplies are already projected to be at a 15-year low. Surging soybean futures give added support to corn because the crops are battling for acreage. CBOT March corn jumps 6 1/2c to \$6.66/bushel.

### NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	01-02-11	31-01-11	
Nizamabad	1341	1341	Unch
Davangere	751	751	Unch
<b>Maize Total</b>	<b>2092</b>	<b>2092</b>	<b>Unch</b>

### Market Analysis

- Steady tone of sentiment witnessed in maize key cash markets.
- Weak trading activity is reported in Naughachia due to depleted maize stock. Rabi maize arrivals in the market will start in the month of March/April.
- As per weekly crop coverage report released by Govt. of Andhra Pradesh, the total maize sown in the state stands at 2.66 lakh hectares, as on 2<sup>nd</sup> Feb. 2011, which is 106% of maize normally sown in a season. However, it is 0.15 lakh hectares lower than maize sown as on date during the corresponding year.
- Reportedly, Rabi maize arrivals in the market have started in Tamil Nadu. Maize crop in Tamil Nadu and Karnataka is estimated to be good and traders and poultry firms expect quality arrivals this time, latest release from the Tamil Nadu Agricultural University.
- According to source, the prevailing market price of maize in Tamil Nadu is around Rs. 920 to Rs. 940 per quintal which is supported by good demand from feed and poultry users.
- According to U.S. Department of Agriculture, U.S. exporters reported sales of 120,000 metric tons of corn to unknown destinations for delivery before Aug. 31.

We feel that prices are likely to trade with steady to firm bias for medium term 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 02-02-11	Chng From Prior day	Arrivals 02-02-11	Chng From Prior day
Delhi	1125	Unch	300	Unch
Nizamabad	1105	Unch	200	Unch
Davangere	1020	Unch	12000	Unch
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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