

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 range bound movement in maize prices.
- Prices closed below 9 and above 18 day EMA, indicating range bound movement in short term.
- RSI is moving down in neutral region suggesting bearish market in short term.
- MACD is moving down depicting bearish sentiment.
- Prices are expected to go up in the next trading session, market participants are suggested to go for buy at level around 1111.

Trade Recommendation – Maize NCDEX (February Contract)

Call	Entry	T1	T2	SL
BUY	>1110	1114	1117	1107
Support & Resistance				
S2	S1	PCP	R1	R2
1084	1090	1107	1120	1127

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	02-02-11	01-02-11	
Nizamabad	1391	1341	+50
Davangere	751	751	Unch
Maize Total	2142	2092	+50



International Market (CBOT)

U.S. corn futures settled at fresh 30-month highs on Wednesday on spillover support from surging wheat prices and concerns about global demand draining season-end supplies, which are projected to come in at a 15-year low. Corn for March delivery, the most-active contract, ended up 3 1/4 cents, or 0.5%, at \$6.69 1/4 a bushel at the Chicago Board of Trade. May \$6.79 3/4 up 3 1/4 c, July \$6.84 1/2 up 3 1/2 c, Sep. \$6.35 3/4 up 2 3/4c.

Market Analysis

- Mostly steady tone of sentiment witnessed in maize key cash markets
- In Davangere, prices dipped by Rs. 10/Qtl on sluggish demand at current supply. However, traders feel that good demand with receding supplies will sustain the prices on higher level. Normal demand from exporters is reported.
- 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 2nd 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.
- According to International Grain Council (IGC) the world maize production will be 810 million tonnes and consumption is estimated to be 840 million tonnes and hence the carryover stock will be low of 121 million tonnes.
- As per weekly export prices released by (IGC), the FOB prices of corn exported from U.S Gulf, as of 28th January, is quoted at \$274 per ton.
- According to source, Ukraine's Economy Ministry has made changes to its October 2010 resolution on export quotas to exclude limits on corn. Ukraine harvested 11.9 million metric tons of corn in 2010, as of July 1 and it can export 3.4 million tons of corn before the marketing year ends June 30.

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 03-02-11	Chng From Prior day	Arrivals 03-02-11	Chng From Prior day
Delhi	1125	Unch	300	Unch
Nizamabad	1105	Unch	200	Unch
Davangere	1010	-10	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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