

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 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.
- Market participants are suggested to go for sell at level below 1132.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
Sell	<1132	1126	1126	1135
Support & Resistance				
S2	S1	PCP	R1	R2
1106	1122	1130	1155	1160

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	03-02-11	02-02-11	
Nizamabad	1391	1391	Unch
Davangere	751	751	Unch
Maize Total	2142	2142	Unch



International Market (CBOT)

US corn futures drop on after reaching 30-month highs Wednesday, pulling back with wheat and soybeans. The weakness in corn prices was due to strong dollar index. The dollar index was higher which seemed to keep the selling pressure on corn along with the other grains. CBOT March corn loses 6 3/4c to \$6.62 1/2 a bushel. The May contract closed 6 1/2 cents lower at \$6.73 1/4. December 2011 was 9 1/4 cents lower at \$5.88 1/2.

Market Analysis

- Mixed tone of sentiment witnessed in maize key cash markets.
- In Delhi, prices dipped by Rs. 15/Qtl on reduced offtake from poultry users at current supply.
- In Davangere, prices were up by Rs. 40/Qtl driven by strong demand from industrial users and exporters despite spurt in supply.
- In Nizamabad, Maize prices remained steady for over a week in absence of fresh buying at current supply. However, traders feel that prices are likely to sustain slightly on higher side due to depleting stock.
- As per trade source, regular export of maize to South-East Asian countries like Vietnam, Malaysia and Indonesia is reported. The Cost and Freight (C&F) is quoted at USD 265-275.
- As per the latest data released by Ministry of Agriculture, the all India sowing acreage of maize stood at 11.25 lakh hectares as on 4th Feb. 2011, down 0.49 lakh hectares as on date previous year which was 11.75 lakh hectares. This was mainly due to late harvesting of paddy in Andhra Pradesh and Karnataka, which was affected by unseasonal rains.

We feel that prices are likely to trade with steady to firm bias for medium term on receding Kharif maize supply along with strong demand from poultry, starch industry and overseas market.

Spot Prices at Key Markets

Centre	Prices 04-02-11	Chng From Prior day	Arrivals 04-02-11	Chng From Prior day
Delhi	1110	-15	300	Unch
Nizamabad	1105	Unch	200	Unch
Davangere	1050	+40	30000	+18000
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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