



MAIZE February 05, 2011

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

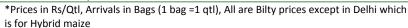
Market Analysis

- 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





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.

DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at http://www.agriwatch.com/Disclaimer.asp