

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 maize prices.
- Prices closed below 9 and above 18 day EMA, indicating range bound movement in short term.
- RSI is moving up in neutral region supporting bearish market in short term.
- MACD is moving down depicting bearish sentiment.
- Market participants are suggested to wait for next trading session.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
Wait				
Support & Resistance				
S2	S1	PCP	R1	R2
1124	1129	1135.5	1150	1155



International Market (CBOT)

US corn futures settle at fresh 30-month highs following a late buying surge. Traders worry that increasing global demand for the grain will drain end-of-seasons US supplies, which are already projected at a 15-year low. The US Grains Council projects significant corn imports by China, which last year imported more than 1M tons for the first time in 15 years. Commodity funds bought an estimated 9,000 contracts, a moderate amount. CBOT March corn climbs 16c to \$6.78 1/2 a bushel.

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	04-02-11	03-02-11	
Nizamabad	1391	1391	Unch
Davangere	852	751	+101
Maize Total	2243	2142	+101

Market Analysis

- Mostly steady tone of sentiment witnessed in maize key cash markets.
- In Delhi, maize prices started trading lower by Rs. 10/Qtl in morning however, demand sustained later to keep the prices steady at current supply. The maize prices may remain steady tomorrow as no fresh buying is reported.
- In Nizamabad, maize prices remained steady for over a week in absence of fresh buying at current supply. However, sentiments in the market today were positive which may support the prices slightly higher tomorrow. Receding supply in the market due to depleting kharif maize is reported.
- Low trading activity is reported in Naughachia due to ending kharif stock. Arrivals of Rabi maize in Bihar will start by fortnight of March. Lower acreage of maize is reported in Bihar.
- According to United States Grain Council, China is short by 10-15 million tons (394-591 million bushels) of corn in stocks, little over 5% against normal stocks of 30%, which may lead to buy 3 to 9 million tons (118-354 million bushels). Soaring global demand coupled with lower crop stock estimates and expected huge imports by China may take the corn prices to record highs.
- FOB price in Argentina, Up River is quoted at USD 290 as on 01st February, 2011.

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 05-02-11	Chng From Prior day	Arrivals 05-02-11	Chng From Prior day
Delhi	1110	Unch	300	Unch
Nizamabad	1105	Unch	200	Unch
Davangere	1050	Unch	30000	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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