

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 the maize prices.
- Prices closed above 9 and 18 day EMA, indicating bullish market ahead.
- RSI is moving up in neutral region supporting bullish market in short term.
- MACD is moving down depicting bearish sentiment.
- Market participants are suggested to go for buy above 1144.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
Buy	>1144	1147	1150	1140
Support & Resistance				
S2	S1	PCP	R1	R2
1126	1133	1146.5	1155	1167



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
	05-02-11	04-02-11	
Nizamabad	1391	1391	Unch
Davangere	852	852	Unch
Maize Total	2243	2243	Unch

Market Analysis

- Mostly steady tone of sentiment witnessed in maize key cash markets.
- In Nizamabad, maize prices gained Rs 10/Qtl on some fresh buying from starch industry at current supply after trading steady for over a week. Positive sentiments in the market today may support the prices slightly higher tomorrow. Receding supply in the market due to depleting kharif maize is reported.
- In Delhi, maize prices remained steady throughout the day at current supply. The maize prices may remain steady tomorrow as no fresh buying is reported.
- The prices of maize in Tamil Nadu are ruling now around Rs 920-940 per quintal. According, Domestic Export and Marketing Intelligence Cell in Tamil Nadu Agricultural University, the prices may go up to the range of 950-1,150 per quintal during April-June, as poultry farms and feed units are purchasing in full swing for stocks
- 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 07-02-11	Chng From Prior day	Arrivals 07-02-11	Chng From Prior day
Delhi	1110	Unch	300	Unch
Nizamabad	1115	+10	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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