

### 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 flat in the neutral region indicating range bound movement in the market for 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	1155	1167



### International Market (CBOT)

US corn futures close lower on profit-taking after reaching new 30-month highs. Traders took money off the table ahead of USDA crop reports Wednesday and will likely continue evening out positions Tuesday. Corn for March delivery declined 0.11 percent to \$6.74 per bushel, extending losses as the contract ended down 3-3/4 cents at \$6.74-3/4 a bushel on Monday, after reaching \$6.82-1/2, the highest spot corn price since July 2008.

### NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	07-02-11	05-02-11	
Nizamabad	1391	1391	Unch
Davangere	950	852	+98
Maize Total	2341	2243	+98

### Market Analysis

- Mixed tone of sentiment witnessed in maize key cash markets.
- In Nizamabad, maize prices gained Rs 05/Qtl on some fresh buying from starch industry at current supply. 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 Davangere, maize prices dipped by Rs. 25/Qtl on higher arrival at current supply.
- As per Trade source, Vietnam rejected consignments of around 50,000-55,000 tonnes of Indian corn shipped in the month of January due to quality issue and is being shipped back to India. This may lead Vietnam to import corn from South American countries like Argentina which may be costlier by \$30-\$40. Vietnam imports somewhere around 5-10 lakh ton of Indian corn, therefore, corn price may have negative impact in the India.
- 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 275.
- FOB price in Argentina, Up River is quoted at USD 290 as on 01<sup>st</sup> 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 08-02-11	Chng From Prior day	Arrivals 08-02-11	Chng From Prior day
Delhi	1110	Unch	300	Unch
Nizamabad	1120	+05	200	Unch
Davangere	1025	-25	6000	+3000
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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