

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 the neutral region supporting bullish sentiment in the market for short term.
- MACD is moving down depicting bearish sentiment.
- Market participants are suggested to go for buy above 1147.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
Buy	>1147	1151	1155	1144
Support & Resistance				
S2	S1	PCP	R1	R2
1128	1137	1149.5	1161	1167



International Market (CBOT)

U.S. corn futures ended slightly lower amid profit-taking ahead of Wednesday's supply and demand report. While traders aren't expecting any big changes in the USDA report, which comes out before Wednesday's open. China's move to raise interest rates also weighed on prices, as traders worried that its economy would slow down and weaken demand. Losses were limited by a rally in wheat, and by the fact that even if the USDA makes no changes Wednesday, projected supplies will be their tightest in 15 years. March CBOT corn ended down 1 cent to \$6.73 3/4 per bushel.

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	08-02-11	07-02-11	
Nizamabad	1391	1391	Unch
Davangere	1050	950	+100
Maize Total	2441	2341	+100

Market Analysis

- Mixed tone of sentiment witnessed in maize key cash markets.
- In Delhi, prices were up by Rs. 10/Qtl on some fresh buying from poultry users at current supply. The maize prices are likely to trade steady to slightly firm tomorrow supported by positive sentiment in the market today.
- In Davangere, maize prices dipped by Rs. 25/Qtl following the news of rejected corn consignment by Vietnam. Vietnam rejected consignments of around 50,000-55,000 tonnes of Indian corn shipped in the month of January due to quality issue. The maize prices are likely to go down as the exporters may not go for regular buying until the situation clears.
- Starting today, Nizamabad market will remain closed for two days on account of post Vasant Panchami carnival.
- As per weekly crop coverage report released by Govt. of Andhra Pradesh, the total maize sown in the state stands at 2.73 lakh hectares, as on 9th Feb. 2011, which is 109% of maize normally sown in a season. However, it is 8,000 hectares lower than maize sown as on date during the corresponding year.
- As per trade source, the rejected maize consignment by Vietnam may not be shipped back to India, but may be shipped to either Sri Lanka or Bangladesh at lower price.

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	Chng From	Arrivals	Chng From
	09-02-11	Prior day	09-02-11	Prior day
Delhi	1120	+10	300	Unch
Nizamabad		CLOSED		
Davangere	1000	-25	5000	-1000
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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