

### 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 down in the neutral region supporting bearish sentiment in the market for short term.
- MACD is moving down depicting bearish sentiment.
- Market participants are suggested to go for buy around 1144.

### Trade Recommendation – Maize NCDEX (March Contract)

| Call                 | Entry | T1     | T2   | SL   |
|----------------------|-------|--------|------|------|
| Buy                  | >1143 | 1147   | 1151 | 1139 |
| Support & Resistance |       |        |      |      |
| S2                   | S1    | PCP    | R1   | R2   |
| 1125                 | 1133  | 1146.5 | 1161 | 1167 |

### NCDEX Warehouse Stock (in Tonnes)

| Location    | Dematted Stocks |          | Change |
|-------------|-----------------|----------|--------|
|             | 09-02-11        | 08-02-11 |        |
| Nizamabad   | 1391            | 1391     | Unch   |
| Davangere   | 1050            | 1050     | Unch   |
| Maize Total | 2441            | 2441     | Unch   |

### Market Analysis

- Mixed tone of sentiment witnessed in maize key cash markets.
- In Davangere, maize prices improved by Rs. 25/Qtl on higher offtake by industrial users at current supply. Demand from local users was higher today, offsetting reported lower demand by exporters. On previous day, prices fell by Rs. 25/Qtl following the news of rejected corn consignment by Vietnam, due to quality issue.
- In Delhi, maize prices were steady in absence of fresh buying from poultry users at current supply. The maize prices are likely to trade steady tomorrow as normal trading activity is reported in the market.
- The trading activity in Nizamabad market will resume tomorrow as it remained closed for days on account of post Vasant Panchami carnival.
- According to latest USDA's World Agricultural Supply and Demand Estimates (WASDE) report, U.S. corn ending stocks for 2010/11 are projected 70 million bushels lower this month with higher expected food, seed, and industrial use. Global 2010/11 corn production is lowered 1.8 million tons with reductions for Argentina and Mexico. Argentina production is lowered 1.5 million tons as continued dryness through mid-January.
- As per 2<sup>nd</sup> Advance Estimates of crop production for 2010-2011, released by Ministry of Agriculture, Govt. of India, the projected maize production is pegged at 20.03 million tonnes.

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<br>10-02-11 | Chng From<br>Prior day | Arrivals<br>10-02-11 | Chng From<br>Prior day |
|------------|--------------------|------------------------|----------------------|------------------------|
| Delhi      | 1120               | Unch                   | 300                  | Unch                   |
| Nizamabad  |                    | CLOSED                 |                      |                        |
| Davangere  | 1025               | +25                    | 5000                 | 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



### International Market (CBOT)

US corn futures end sharply higher on the USDA's reduced corn-inventory forecast. The report, which showed supplies threatening to dip below a modern lowpoint set 15 years ago, reaffirms the market still must climb higher to discourage demand and stave off a supply crisis, analysts say. Prices briefly topped \$7/bushel for the first time in 31 months, but gains didn't match the 30c trading limit, as some were expecting. Traders see continued upside to the market, though some say it could be limited. March corn finish up 24 1/4 c at \$6.98.

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