

### 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 around 1149.

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

Call	Entry	T1	T2	SL
Buy	>1148	1151	1154	1143
Support & Resistance				
S2	S1	PCP	R1	R2
1126	1136	1150	1161	1167

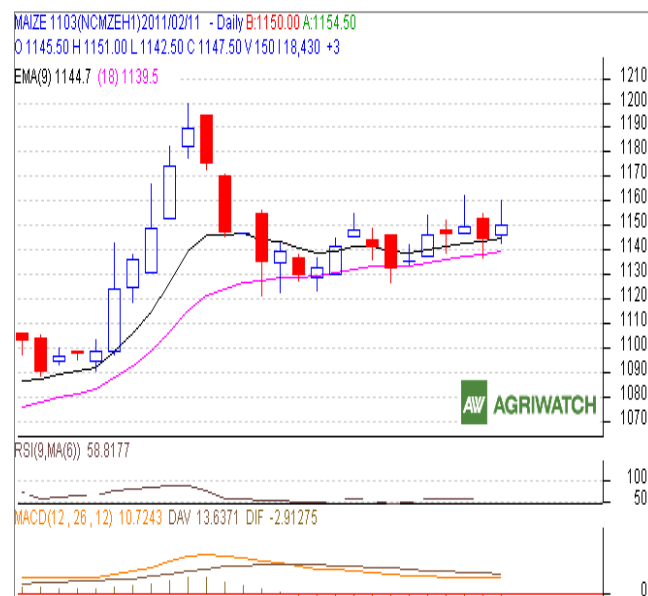
### NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	10-02-11	09-02-11	
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 Delhi and Davangere, maize prices were down by Rs. 10/Qtl each on reduced offtake by industrial users at current supply. The news of rejected corn consignment by Vietnam is weighing on maize prices in Davangere as lower demand from exporters is reported.
- The trading activity in Nizamabad resumed today. The maize prices were trading steady at current supply. However, traders feel that sustained demand with receding supply will support prices in days ahead.
- 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 stood at 20.03 million metric tonnes (MMT). It is 16.53% higher than last year's production of 16.72 MMT. Kharif production is pegged at 15.71 MMT, increased 11.74% from first advance estimate of 14.06 MMT. However, Rabi production is estimated at 4.32 MMT which is 2.28% lower than last year's final estimates.
- The USDA projects 4.95 billion bushels of corn will go to ethanol production in the current crop year. That is a record and accounts for about 40% of the domestic harvest. Estimated world production in the 2010-2011 seasons, which began Oct. 1, at 814.26 million metric tons, down from 816.01 million forecast in January because of dry weather in Argentina.

**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.**



### International Market (CBOT)

US corn futures end slightly higher, as the market withstood a sell-off in other grains on support from extremely tight projected supplies and strong weekly export sales. While wheat and soybeans fell on a stronger dollar, corn held firm a day after the USDA again slashed 2010-11 carryout. Many analysts expect prices will ultimately surge above \$7. Weekly export sales topped 1M metric tons for the second straight week, dispelling the notion for some traders that high prices were choking off demand. March CBOT corn ended up 3/4 cent to \$6.28 per bushel.

### Spot Prices at Key Markets

Centre	Prices 11-02-11	Chng From Prior day	Arrivals 11-02-11	Chng From Prior day
Delhi	1110	-10	300	Unch
Nizamabad	1110	Unch	200	Unch
Davangere	1015	-10	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

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