

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 below 9 and above 18 day EMA, indicating range bound movement of prices 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 1142.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
Buy	>1141	1144	1147	1138
Support & Resistance				
S2	S1	PCP	R1	R2
1126	1138	1143	1155	1160



NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	11-02-11	10-02-11	
Nizamabad	1391	1391	Unch
Davangere	1153	1050	+100
Maize Total	2544	2441	+100

Market Analysis

- Mixed tone of sentiment witnessed in maize key cash markets.
- In Nizamabad and Delhi, maize prices were up by Rs. 10/Qtl each on higher offtake by industrial users at current supply. Good demand from starch industry in Nizamabad is supporting the prices at higher levels amid receding kharif stock. The prices may trade steady to slightly firm in the next session as positive sentiment in the market is reported.
- As per 2nd 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.
- As per sources, Mexico corn producers estimated 4.2 MMT lost due to freezing weather in the north of country, creating new worries after the USDA projected corn supplies at their tightest level in 15 years this week. However, according to Ministry officials, Mexico seeks to replace between 2.5 million and 3 million tons of corn through replanting, and will also increase imports to make up for lost corn.

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 12-02-11	Chng From Prior day	Arrivals 12-02-11	Chng From Prior day
Delhi	1110	+10	300	Unch
Nizamabad	1120	+10	200	Unch
Davangere	1015	Unch	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 extend their rally, closing above \$7/bushel for the first time since July 2008 amid dwindling supplies and news that Mexico's crop has been damaged by a freeze. Surging ethanol demand and a lack of farmer selling are adding to the market's strength. March CBOT corn ended up 1.1% to \$7.06 1/2, only the 19th time in history corn has closed above \$7.

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