

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 indicates the bullish sentiment in the market.
- 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.
- Maize futures are likely to trade range-bound with strong bias in next session.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
BUY	>1132	1135	1141	1125
Support & Resistance				
S2	S1	PCP	R1	R2
1125	1129	1133.50	1146	1154



International Market (CBOT)

US corn futures end slightly lower on pressure from soybeans and a hike in Chinese bank reserve requirements. As fresh corn export sales to Mexico were a fresh reminder that high prices have yet to choke off demand, particularly for exports. Corn is seen as having the strongest fundamentals among the major crops, and analysts say prices must remain strong to encourage farmer plantings. March corn closed down 3c to \$7.09 3/4 per bushel. The market gained 3 1/4c on the week.

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	21-02-11	19-02-11	
Nizamabad	1439	1441	-2
Davangere	1505	1454	+51
Maize Total	2944	2895	+49

Market Analysis

- Mostly steady sentiment witnessed in maize key cash markets on Tuesday on sluggish market activities.
- Maize prices at Delhi and Davangere continued to remain unchanged on sluggish trade activities at current supply and demand levels.
- As per trade information, the expectations of higher Rabi arrivals may likely to exert pressure on prices in the spot market. The revised production estimates which are 4 million tons higher than the previous estimates.
- U.S. corn exports are near 2 billion bushels per year, and feed use is currently near 5.2 billion bushels per year. Use of corn during the 2011-12 marketing year might be near 13.25 billion bushels. A minimum of 4.65 billion bushels of corn will be used for ethanol production during the 2011-12 marketing year,
- The smallest corn inventories in 37 years are a sign farmers around the globe are failing to produce enough grain to meet rising consumption, even as planting expands and food prices surge.
- China sold a total of 212,731 tonnes of corn from state reserves on Tuesday, with the majority going to feed mills in major consuming areas at an average price of 1,960 yuan (\$298.2) per tonne,

We feel that prices are likely to trade with steady to firm bias for medium term on concern of reduced stock levels at amid increasing demand from the industrial users as well as poultry industry demand at reduced arrival levels.

Spot Prices at Key Markets

Centre	Prices 22-02-11	Chng From Prior day	Arrivals 22-02-11	Chng From Prior day
Delhi	1120	Unch	300	Unch
Nizamabad	-	-	-	-
Davangere	1060	Unch	1000	Unch
Naughachia	-	-	-	-

*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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