

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 bearish 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 indicating bearish sentiment.
- Maize futures are likely to trade range-bound with weak bias in next session.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
SELL	<1132	1127	1124	1136
Support & Resistance				
S2	S1	PCP	R1	R2
1118	1124	1123.00	1135	1145



NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	22/02/11	21/02/11	
Nizamabad	1439	1439	Unch
Davangere	1505	1505	Unch
Maize Total	2944	2944	Unch

International Market (CBOT)

US corn futures end limit down on anxiety about Mideast unrest and its potential to reduce commodity demand. The market fell by the exchange-imposed daily limit after climbing to fresh highs overnight. The unrest across the region sent crude-oil prices sharply higher, which could derail a global economic recovery, analysts say and also said; it's a warning that the world economy is going to have a tough time. March CBOT corn ends down 30c at \$6.79 3/4 a bushel. Wednesday's trading limit will be 45c.

Market Analysis

- As a result of sluggish market activities, steady to weak sentiment continued in maize key cash markets as a result of inclined Kharif season stocks.
- Maize prices at Delhi and Naughachia continued to remain unchanged on sluggish trade activities at current arrival levels.
- Maize prices at Davangere prices were down by Rs. 25/qlt on reduced offtake from the industrial users at current lean arrival levels.
- U.S. corn futures lost more ground on Wednesday, dropping more than 1 percent after falling by their daily limit in the last session as civil unrest in parts of Africa and the Middle East prompted investors to shun risk.
- U.S. farmers are expected to plant the second largest area with corn since World War Two this spring and plant a record area with soybeans. Analysts expecting that, on average, USDA to forecast corn plantings at 91.528 million acres, the second highest acreage since 1944, and above last year's plantings of 88.200 million acres.
- Animal slaughters to contain South Korea's worst foot-and-mouth outbreak will reduce grain imports for feed mainly corn and wheat by at least 1.3 million tonnes.
- South Africa's 2010/11 maize and 2010 wheat crops are likely to be below previous season's harvest due to unusually heavy rains and reduced sowing.
- Corn still has supportive supply-and-demand fundamentals, and could be underpinned by supply concerns until it becomes clear U.S. farmers will harvest a large crop in 2011.

We feel that prices are likely to trade with steady to weak bias for medium on end of Kharif season stocks and rabi season arrivals may start in near terms.

Spot Prices at Key Markets

Centre	Prices 23-02-11	Chng From Prior day	Arrivals 23-02-11	Chng From Prior day
Delhi	1120	Unch	300	Unch
Nizamabad	-	-	-	-
Davangere	1035	-25	1000	Unch
Naughachia	1100	Unch	500	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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