

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 sideways movement of maize prices.
- Prices closed above 9 and below 18 day EMA, indicating range bound movement of prices ahead.
- RSI is moving up in the neutral region indicating bullish sentiment in the market for short term.
- MACD is moving down indicating bearish sentiment.
- Maize futures are likely to trade range-bound with firm bias in next session.

Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
Buy	>1130	1134	1137	1126
Support & Resistance				
S2	S1	PCP	R1	R2
1116	1124	1131.5	1138	1147



International Market (CBOT)

US corn futures close sharply higher on robust demand, recovering from losses earlier this week. Export sales should stay strong next week after USDA said Friday weekly sales reached a marketing-year high. Foreign buyers and domestic grain users seized the recent price break as an opportunity to extend coverage. Fund buying was heavy at an estimated 20,000 contracts. CBOT March corn climbs 26 1/4c to \$7.12/bushel.

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	24/02/11	23/02/11	
Nizamabad	1439	1439	Unch
Davangere	1505	1505	Unch
Maize Total	2944	2944	Unch

Market Analysis

- Mostly steady tone of sentiment witnessed in major key cash maize markets due to sluggish demand.
- Restricted supply is reported from all the key markets as Kharif maize stock is almost ending.
- Maize prices at Davangere were up by Rs.25/Qtl on sustained demand from industrial users and exporters amid restricted supply.
- In Nizamabad, maize prices traded steady despite reported quality issue. The maize arrivals are reported to be infested by fungus, however, sustained demand and lower supply is keeping the prices at current level.
- Poultry feed industry may use higher quantity of maize in feed preparation as a result of higher prevailing prices of jowar, wheat and other feed grains.
- As per the U.S. Department of Agriculture weekly export sales, corn export for the period February 11-17, 2011 totaled 1.5 million MT which is a marketing year high and, up 46 percent from the previous week. Increased exports were reported for Mexico, Japan, Egypt, Israel, Saudi Arabia and South Korea. The higher weekly sales is supporting the maize prices.
- As per the data from General Administration of Customs of China, China imported 1,878 metric tons of corn in January, down 84% compared with a year earlier. Last year, China imported 1.6 million tons of corn, up 18-fold versus 2009, mostly from the U.S. The sharply higher volume broke the country's 15-year run of largely self-sufficient corn supplies.

We feel that prices are likely to trade with steady to firm bias for medium on improving purchases from stockists on demand from the industrial users and Rabi season arrivals may start in near terms.

Spot Prices at Key Markets

Centre	Prices 25-02-11	Chng From Prior day	Arrivals 25-02-11	Chng From Prior day
Delhi	1120	Unch	300	Unch
Nizamabad	1120	Unch	100-200	Unch
Davangere	1075	+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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