

## 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 down in the neutral region indicating bearish sentiment in the market for short term.
- MACD is moving down indicating bearish sentiment.
- Maize futures prices are hovering in the range of 1122 to 1140. Breaching either of the level of prices will decide the actual movement of prices. Market participants are suggested to wait for next trading session.

## Trade Recommendation – Maize NCDEX (March Contract)

Call	Entry	T1	T2	SL
<b>Wait</b>				
Support & Resistance				
S2	S1	PCP	R1	R2
1116	1124	1128	1138	1147

## NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	26/02/11	24/02/11	
Nizamabad	1439	1439	Unch
Davangere	1505	1505	Unch
Maize Total	2944	2944	Unch

## Market Analysis

- Mixed tone of sentiment witnessed in major key cash maize markets.
- Restricted supply is reported from all the key markets as Kharif maize stock is almost ending.
- Maize prices at Davangere were up by Rs.10/Qtl on sustained demand from industrial users and exporters at current supply. The maize prices are likely to increase further as good demand is seen in the market amid restricted supply.
- In Nizamabad, maize prices traded higher by Rs. 5/Qtl on some pick up on buying at current supply. The maize arrivals are reported to be infested by fungus, however, good demand and lower supply is supporting the prices. However, prices are likely to remain near the current level as many buyers are waiting for fresh arrival of Rabi maize in the market which starts next month.
- Steady prices are reported from Delhi market over the week due to sluggish buying from poultry users at current supply. The prices are likely to remain steady tomorrow.
- As per trade source, regular export of maize to South-East Asian countries like Vietnam, Malaysia and Indonesia is reported. The Cost and Freight (C&F) is quoted at USD 275-280.

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

## Spot Prices at Key Markets

Centre	Prices 28-02-11	Chng From Prior day	Arrivals 28-02-11	Chng From Prior day
Delhi	1120	Unch	300	Unch
Nizamabad	1125	+05	100-200	Unch
Davangere	1085	+10	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



## 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.

## DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>