

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 at 9 day and below 18 day EMA, indicating short term weak movement of prices ahead.
- RSI is moving up in the neutral region supporting bullish sentiment in the market.
- 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
Wait				
Support & Resistance				
S2	S1	PCP	R1	R2
1116	1124	1130	1138	1147

NCDEX Warehouse Stock (in Tonnes)

Location	Dematted Stocks		Change
	28/02/11	26/02/11	
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.
- Restricted supply is reported from all the key markets as Kharif maize stock is almost ending.
- In Davangere, prices were up by Rs.05/Qtl on good 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 steady at current supply. However, traders feel that demand from starch users will support the prices ahead.
- 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 in next trading session.
- In Ahmadabad, poultry feed grade maize gained Rs. 10/Qtl on some fresh buying at current supply. On contrary, the starch grade maize were down by Rs. 20/Qtl due to subdued buying by industrial users at current supply.
- According to news source, China has asked its state grain buyers to slow down or even halt grain purchases in an attempt to hold down inflation.
- Argentina dissolved their agricultural trade agency (ONCCA), which was responsible for corn and wheat export limits. Consequently, the short term impact could slow export activity of corn in Argentina.

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 01-03-11	Chng From Prior day	Arrivals 01-03-11	Chng From Prior day
Delhi	1120	Unch	300	Unch
Nizamabad	1125	Unch	100-200	Unch
Davangere	1090	+05	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)

U.S. corn futures bounce back from early losses, ending higher on strong demand. After slumping through most of last week, end-users looking to secure supplies and speculators confident the market still has upside have emerged as buyers. The market continues to gain versus soy and wheat. Corn posted its highest close for a nearby contract since July 3, 2008, as March CBOT corn closed up 10 1/2c, or 1.5%, to \$7.22 1/2 a bushel. Dec corn, which reflects the crop to be planted this spring, ended up 5 cents to \$6.06 3/4.

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