

Maize

1st -7th November, 2005

MAJOR ACTIVITY HIGHLIGHTS

- DOMESTIC AND INTERNATIONAL NEWS
- TRADE ANALYSIS
- WEATHER WATCH
- DAILY PRICE CHANGES IN DOMESTIC WHOLESALE MARKETS
- TRUCK FREIGHT RATES BETWEEN VARIOUS CENTRES

TRADE ANALYSIS

DELHI MARKET:

Festival week hindered the market activity at most of the places in this week. But after the end of the festival season Delhi market witnessed an upward trend of maize prices due to less arrival from Bihar and U.P.. The other bullish factors were strong demand from poultry mills and Haryana. The Bihar feed quality maize was traded at the range of Rs.685-690 per quintal with an arrival of 3-4 trucks, where as U.P. Gajar and Red maize was traded at the range of Rs.650-655 and Rs.670-675 per quintal with total arrival of 8-10 trucks. The market expects that the maize prices likely to increase further in the coming days.

KARNATAKA MARKET:

The market remained closed due to Deepawali and for Eid. The Bangalore market showed a stable sentiment for maize prices. The maize was traded at Rs.590 per quintal and Rs.635-640 per quintal at Nammakal on higher side. The ongoing market sentiment is likely to remain stable after Dewali due to arrival of new crop.

KOLKATA MARKET:

The high demand pushed up the prices from Rs.645-650 to Rs.670-680 per quintal in Kolkata market. The arrival from Bihar remained very less around 10-12 trucks per day. The market is emphasized on superior quality of maize. The maize is likely to be arrived from A.P. within 10-15 days. It is likely to remain strong in the coming days.

BIHAR MARKET:

Less stock and slight high demand from Kolkata, Siliguri and Delhi pushed up the wheat prices and settled at Rs. 575-580 per quintal as bilty price in Bihar market. The maize was sold in the market at the price of Rs.550-555 per quintal as loose basis. The stock remained poor. It is expected that the price would be strong in the coming days.

NIZAMABAD MARKET:

In Nizamabad mandis, the market remained closed for 3-4 days. Therefore the trading activity remained poor and arrival was very slow which hindered the price down. The maize was prevailed at most stable range of Rs.540-550

per quintal. The government procurement is going on in this market. It is expected that the prices would not go down as short-term basis.

DAVENGERE MARKET:

The market showed same behaviour as of Nizamabad. The maize was supplied to Bangalore and other parts of South India market. It was reported that maize has been traded at the range of Rs. 520-530 per qtl. It is expected that the maize prices would stable in the coming days as long term basis.

AHMEDABAD MARKET:

The maize prices remained range bound with slight weak undertone at this weekend in Ahmedabad market due to local arrival and closing of the market for festival holiday. The starch prices remained at Rs.600-611 per quintal as compared to Rs.620-625 per quintal as of last week. The less demand from poultry industry offset the uptrend. The poultry feed mill quality corn was traded at the range of Rs.630-635 per quintal. The market is likely to go down further in the coming day.

GLOBAL MARKET

Corn futures at the Chicago Board of Trade (CBOT) slipped and finished on mostly lower side Friday; with nearby futures slipping to new contract lows in late trade. December corn remained 0.75 cent down to \$1.955 per bushel, March corn slides 0.75 cent to \$2.098, and May corn fell 0.75 cent to \$2.178 per bushel. The major bullish factor was new contract lows in late trade and light fund selling in the absence of fresh news. Commodity fund selling was projected at 3,800 contracts. Ethanol futures witnessed unchanged to higher. There was no trading activity on the January contract and settled unchanged at \$1.915 per gallon. On Monday, the U.S. Department of Agriculture is scheduled to release the weekly export inspections report at 1000 a.m. CST (1600 GMT), and the weekly crop progress report at 1500 p.m. (2100 GMT).

CONCLUSION

Festival week hindered the market activity at most of the places in this week. The week started with Deepawali, the festival of lights on Tuesday and ended with EID on Friday. Most markets remained closed and arrivals witnessed very slow. Therefore the prices remained strong in Delhi, Bihar, Kolkata and other parts. But some downtrend sentiment is also noticed in Maharashtra, Gujarat, and Pune etc. Yellow corn traded at Rs.550 per quintal while the local corn remained at Rs.560 per quintal. The maize was traded at Davangere (Karnataka) spot market on Rs.520-530 per quintal while in Nizamabad (Andhra Pradesh) the price was Rs.540-550 per quintal.

WEEKLY PRICE CHANGES IN DOMESTIC WHOLESALE MARKETS (Rs. Per Quintal)

MARKETS	7.11.05	31.10.05
Delhi (Bihar Maize)	685-690	660-665
Delhi (UP Maize)	650-670	635-640
Maharashtra	490-500	510-515
Gujarat (Maharashtra Maize)	610-620	600-625
Sangli truck bilty	540	550-560
Pune Starch	610-620	615-630
Ahmedabad Poultry feed mills	630-635	635-640
Ahmedabad Starch	600-611	620-625
Bihar (Bilty Price)	550-565	575-580
Bangalore - Tamil Nadu delivery New	590	580-590
Nammaklall Maize	635-640	620-625
Kolkata mill delivery	670-680	645-650
Nizamabad Local Maize	540-550	545-550
Devengere Local maize	520-530	525-530

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

U.S. Corn Outlook

In October, the firm estimated the U.S. corn crop at 10.980 billion bushels with a yield of 147.6 bushels per acre. The U.S. Department of Agriculture in October estimated corn production at 10.857 billion bushels with a yield of 146.1 bushels per acre. Through Sunday, 80% of the U.S. corn crop had been harvested, according to the USDA.

U.S. Corn Production Outlook

According to a private trading firm FC Stone, the estimated corn production in U.S. at 11.079 billion bushels, above the 10.857 billion bushels estimated by the U.S. Department of Agriculture in October. In addition, Stone pegged the yield at 149.0 bushels per acre, above the 146.1-bushel yield estimate in October from the USDA. The USDA is scheduled to release the November crop production and supply/demand reports on Nov. 10.

Pakistan Likely to Import Maize Starch from India

According to the ministry of commerce of Pakistan has drawn up an additional list of around 300 items, which is likely to be imported from India from January next year. The

government has already allowed the import of around 775 from India and the list of the items were notified in the Import Trade Policy Order 2005 after the announcement of the Trade Policy 2005. These items will be included in the Appendix-G of the Import Policy Order 2005 after incorporating the viewpoint of all the stakeholders and local industries. The maize starch is also included in this list and which is likely to be imported from India, according to the sources.

Corn: USDA Latest Export Sales Highlights

According to the latest export sales data of USDA, the net sales of 1,218,200 MT corn were 70 percent above the previous week and 37 percent over the prior 4-week average. Major increases were reported for Japan (403,800 MT), Mexico (199,900 MT), Colombia (112,600 MT), Taiwan (77,200 MT), Egypt (65,200 MT), Algeria (60,400 MT), including 18,000 MT switched from unknown destinations), South Korea (59,900 MT), Panama (45,800 MT), and unknown destinations (43,000 MT). Exports of 1,014,400 MT were 7 percent above the previous week and 2 percent over the prior 4-week average. The primary destinations were Japan (284,000 MT), Colombia (157,300 MT), Mexico (144,800 MT), Egypt (115,200 MT), Taiwan (75,300 MT), South Korea (56,900 MT), Canada (39,900 MT), Algeria (35,900 MT), Panama (32,900 MT), Ecuador (26,600 MT), and Saudi Arabia (24,300 MT). (This summary is based on reports from exporters for the period October 21-27, 2005.)

KHARIF CROP ACERAGE STATISTICS

(In Lakh Hectares)

Normal Area	Area Coverage (17.10.05)			Area Difference In Absolute %Age Over Last Year
	This Year	Last Year	Diff	
60.00	73.25	70.70	+2.55	AP(+1.6, +31.9), Guj(-0.7, -13.3), Kar(+0.5, +6.4), Maha(+1.1, +24.6), Raj(-0.6, -6.1)

Source: Department of Agriculture, Government of India

FOREX RATES (7.11.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.67
European Union	Euro	53.91
Japan	Yen	38.74
Great Britain	Pound Sterling	79.92

First Advance Estimates of Kharif Production of 2005-06 vis-à-vis Fourth Advance Estimates of 2004-05 Production in Million Tonnes

Crops	2004-05 (4th Advance Estimates)	2005-06 (1st Advance Estimates)	% Variation
Maize	11.60	12.17	4.9
Coarse Cereals	26.70	26.44	-1.0

Source: GOI

TRUCK FREIGHT RATES BETWEEN VARIOUS CENTRES

City	Freight rates (RS./ton)	City	Freight rates (RS./ton)
Ahmedabad to Bangalore	2150	Kolkata to Bangalore	2000
Ahmedabad to Kolkata	2890	Delhi to Ahmedabad	940
Ahmedabad to Delhi	1445	Delhi to Bangalore	3110
Bangalore to Kolkata	2600	Delhi to Kolkata	2110
Bangalore to Delhi	2500	Karnal to Mumbai	2000
Bangalore to Ahmedabad	1650	Mumbai to Delhi	2000
Kolkata to Ahmedabad	2400	Kandla to Delhi	1800

WEATHER WATCH: (As on 4th November)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

Zone-wise weather forecast for next 5-Days

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Isolated to scattered snow/rains are expected over J & K, H.P., Uttaranchal, Haryana and Delhi during next 2-3 days only. Subsequently dry weather is likely to prevail over the region with a fall in night temperatures.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Isolated to scattered rainfall activity is expected over Orissa and Northeastern States for next 1-2 days only. Mainly dry weather may prevail subsequently.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

TECHNICAL ANALYSIS

Commodity: Maize

Contract: November (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

NCDEX November contract traded on lower side today, as the contract opened above the previous closing price but settled slightly on lower side.

The most of the indicators are indicating toward downward side except Moving average and MACD. RSI is in overbought condition.

The open interest as well as the volume of trade is increasing.

Mainly dry weather is likely to prevail over the region except over Chattisgarh where isolated rains are expected during next 2 days atleast.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

Scattered to widespread rainfall is likely over Tamilnadu & Pondicherry, Rayalaseema and south coastal Andhra Pradesh, south interior Karnataka, coastal Karnataka, Kerala, Bay Islands and Lakshadweep.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Mainly dry weather is likely to prevail over the region.

Weather Outlook

Isolated to scattered rainfall activity has been recorded during the last 24hrs over Tamilnadu, Rayalaseema, south interior Karnataka, coastal Karnataka, Kerala, Lakshadweep, Andaman & Nicobar Islands, Orissa, Haryana and Delhi.

The upper air cyclonic circulation that was over north Tamilnadu and adjoining regions yesterday has weakened further and lies over coastal Karnataka today. On the otherhand, yesterday's upper air cyclonic circulation over south Bay of Bengal has intensified and organized in to a low pressure system over south Bay is likely to move very slowly in west northwesterly direction in coming days. Under this scenario, scattered to fairly widespread rainfall with isolated heavy falls at some places are likely over Tamilnadu, Rayalaseema, south coastal Andhra Pradesh, south interior Karnataka, coastal Karnataka, Kerala, Bay Islands and Lakshadweep in coming 3-4 days.

The upper air cyclonic circulation over north Bay of Bengal and neighbourhood also weakened today. It is expected that isolated to scattered rainfall activity to continue over Orissa and NE states atleast for 1-2 days.

Source: NCMRWF

Outlook: It is expected that the prices for maize to remain bearish in the coming days as short term. However the prices are likely to bullish as medium term and bearish as long term. The opening for the next trading day is likely to down.

Recommendation: Remain short.



Resistance and Support level:

The resistance level at present is at 532.8 and 535.1 marks. Support level may be seen at 523.6 and 520.0 marks as short-term basis.

R1	R2	S1	S2
532.8	535.1	523.6	520.0

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