

Maize

28th November-5th December, 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:

Maize prices remained almost range bound in the Delhi mandis. The M.P. maize was traded at the range of Rs.675-677 per quintal where as U.P. maize was quoted at Rs.650-652 per quintal in Delhi mandis. The stable demand kept the prices mostly on stable position. The maize was also arrived from Rajasthan and fetched Rs.675 per quintal in this mandis. The arrival remained moderate. It is expected by the traders that the maize prices would remain slight weak in the coming days.

KARNATAKA MARKET:

The maize prices remained weak in the Bangalore market due to weak demand from poultry feed mills and local demand. The average arrival remained 5000-1000 gunny bags from surrounding areas. The Nammaklall maize was traded at Rs.600-605 per quintal. Bangalore (T.N. Delivery) was traded at Rs. 575-580/qlt on Monday.

KOLKATA MARKET:

Maize prices at Kolkata market are marginally lowered as compared to last week due to low demand. The maize was arrived from Karnataka and A.P. around 2 racks in a week. More supply of maize is the major factor for declining the prices. The demand from feed mill witnessed weak.

BIHAR MARKET:

Maize prices are increasing as low stocks in the market in Bihar market. The present stocks are around 5-10%, according to the traders. The Rabi maize crop sowing is progressing well and area is also increasing, according to the traders. The maize was traded at the range of Rs.630-635 per quintal in this market Bihar is supplying maize to Siliguri. Arrival remained almost completed in Bihar market.

NIZAMABAD MARKET:

The NCDEX quality maize was quoted at the range of Rs.555-560 per quintal. The prices remained almost stable in this week as compared to last week. The daily arrival remained around 2000 racks. The demand witnessed weak in this market.

DAVENGERE MARKET:

The Devengere market also behaved as Nizamabad market and maize was traded at the range of Rs.520-525 per quintal with moderate arrival. The demand from poultry feed mills remained weak.

AHMEDABAD MARKET:

The maize prices remained stable in this market amidst stable demand from feed mills and stable arrival. The arrival was from Maharashtra. The starch prices were at Rs.605-610 per quintal. The poultry feed mill quality corn was traded at the range of Rs.615-620 per quintal. These prices are stable as compared to last week. Market sentiments are expected to decline further in next week.

GLOBAL MARKET

Corn futures at the Chicago Board of Trade (CBOT) witnessed weak undertone Friday, as early buying interest gave way to thin selling late in the session. December corn finished 0.5 cent higher at \$1.898 per bushel, March slipped 0.5 cent to \$2.033, and May corn also fell 0.5 cent to \$2.118. The market was supported by light technical strength, but was unable to hold those gains, reflecting the lack of fundamental direction. Favorable weather conditions in Argentina's corn producing areas also limited buying, interest sources said. Commodity fund buying was estimated at 1,500 contracts. Ethanol futures settled mixed. The January contract didn't trade but ended 1 cent higher to \$1.875 cents per gallon. Friday afternoon, the Commodity Futures Trading Commission is scheduled to release the latest Commitment of Traders Report.

CONCLUSION

Maize prices at spot market remained almost stable at most of the trading centre due to stable market demand. The lower price range of jowar is also restricting the prices up. Maize is the third most important coarse cereal in India and used for poultry, starch and livestock feed. Harvesting pressure of new crop in major producing states is the major cause to decline maize prices in some part of the country. The prices are expected to range bound with weak market

sentiments in most of the trading centre in the coming days as short term.

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

MARKETS	26.11.05	5.12.05
Delhi (MP Maize)	660-680	675-677
Delhi (Maharashtra Maize)	-	650-655
Maharashtra	510-515	520-525
Gujarat (Maharashtra Maize)	620-625	610-620
Sangli truck bilty	530-535	525-530
Pune Starch	580-590	575-580
Ahmedabad Poultry feed mills	620-625	615-620
Ahmedabad Starch	600-605	605-610
Bihar (Bilty Price)	615-620	630-635
Bangalore - Tamil Nadu delivery New	600-620	575-580
Nammaklal Maize	620-625	600-605
Kolkata mill delivery	675-685	660-665
Nizamabad Local Maize	555-565	555-560
Devengere Local maize	525-535	520-525

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

Maize Procurement Hampered in Bellary

The government came to the rescue of the farmers by fixing the support price at Rs 540 per quintal of maize and the government also announced that the markets would open from November 25. Due to the unscientific policy of the State Warehousing Corporation, the government's procurement of maize at MSP has failed. There were no buyers to procure maize at MSP after five days in the market in the district. Due to the changing climatic conditions, the moisture level of the crop is ever-changing and on the other hand, anti-farmer policies have been framed making it all the more difficult for the crop growers to sell their produce. Therefore, those organisations or associations, which were supposed to procure the crops at the MSP have not actually bought the crop in the district although the farmers brought bags of grain to the market five days ago. In the Agriculture Produce Market Corporation in Bellary, Hospet, Hagaribommanahalli, Hoovinhadagali and Kotnooru, more than one lakh quintal of maize crop is rotting away as it has not found buyers at all. As a consequence the middleman and private traders are taking advantage and they are buying the maize at a throwaway price of Rs.435-450 per quintal.

USDA Weekly Export Sales Highlights on Corn

Net sales of 611,700 MT were 41 percent below the previous week and 47 percent under the prior 4-week average. Increases for Japan (325,900 MT, including 157,600 MT switched from unknown destinations), Egypt (102,100 MT), Colombia (62,300 MT), South Korea (59,900 MT, including 58,000 MT switched from unknown

destinations), the Philippines (55,000 MT), the Dominican Republic (50,000 MT), Algeria (49,000 MT, including 20,000 MT switched from unknown destinations), Jordan (36,900 MT, including 35,000 MT switched from unknown destinations), Guatemala (29,200 MT), Ecuador (26,800 MT), and El Salvador (26,200 MT) were partially offset by decreases for unknown destinations (300,100 MT). Exports of 666,100 MT were 31 percent below the previous week and 33 percent under the prior 4-week average. The primary destinations were Japan (162,000 MT), Mexico (114,000 MT), Taiwan (72,400 MT), South Korea (59,800 MT), the Dominican Republic (45,000 MT), Egypt (42,100 MT), Colombia (40,800 MT), Jordan (36,900 MT), and Canada (31,700 MT). (This summary is based on reports from exporters for the period November 18-24, 2005.)

Argentina's Corn Output Likely to Decline

According to the Buenos Aires Exchange, about 80% of the 2005-06 corn crop has been sown by the farmers in Argentina by Saturday. The Exchange has forecast the corn production at 17.5 million tons (MMT) in 2005-06, which is down from 19.5 MMT a year earlier. The USDA also pegged Argentina's 2005-06 corn output at 17.5 MMT. The Buenos Aires Exchange anticipated that the farmers would plant 15.2% less corn in 2005-06 than a year ago. It observes planted area at 2.23 million hectares, down from 2.62 million the previous season. As of Nov. 25, Argentina had sold 12,345 MMT of 2004-05 corn for export, up from 9.48 million a year earlier, according to Secretariat data.

RABI CROP ACERAGE STATISTICS

(In Lakh Hectares)

Normal Area	Area Coverage (21.11.05)			Area Difference In Absolute %Age Over Last Year
	This Year	Last Year	Diff	
7	2.41	2.69	-0.28	MP(+0.3, +136.8), Raj(+0.5, +85.4), UP(-0.4, -46.1)

Source: Department of Agriculture, Government of India

FOREX RATES (5.12.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.28
European Union	Euro	54.18
Japan	Yen	38.18
Great Britain	Pound Sterling	80.15

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	2100	Kolkata to Bangalore	2222
Ahmedabad to Kolkata	2700	Delhi to Ahmedabad	1111
Ahmedabad to Delhi	1445	Delhi to Bangalore	2888
Bangalore to Kolkata	2833	Delhi to Kolkata	2444
Bangalore to Delhi	2667	Karnal to Mumbai	2200
Bangalore to Ahmedabad	1667	Mumbai to Delhi	2200
Kolkata to Ahmedabad	2450	Kandla to Delhi	2150

WEATHER WATCH: (As on 3rd December, 2005)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

Weather Outlook

• During the last 24hrs, fairly widespread rainfall with pockets of heavy precipitation is realized over the north Tamilnadu and south coastal Andhra Pradesh. Moderate rainfall is realized over Lakshadweep, Madhya Pradesh, Konkan, Madhya Maharashtra, Vidarbha, Madhya Pradesh, Kerala and Andaman & Nicobar Islands. Yesterday's depression over the southwest Bay of Bengal has further weakened into low and moved westward during the last 24hrs. It now lies over north coastal Tamilnadu & adjoining southwest Bay of Bengal and with the inland movement of the low-pressure system, rainfall belt has moved over to southern districts of Rayalaseema since morning. Further, fairly widespread rainfall are likely over north Tamil Nadu, Coastal Andhra Pradesh, Rayalaseema, south interior Karnataka and Kerala are expected in coming 2-3days with the expected westward movement of the system slowly with

TECHNICAL ANALYSIS

Commodity: Maize

Contract: December (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

Technical Analysis for NCDEX December contract

The maize futures opened firm but later selling pressure brought down the prices and settled on lower side.

The most of the indicators are indicating bearish ness of the maize prices, except Price ROC, which is indicating bullish sentiment.

in the eastwestshear zone present over the Indian seas and across the south peninsular India.

• Under the influence of the mid-latitude westerly trough and the convective cloud bands associated with the low pressure area over east-central Arabian Sea have extended in northeasterly direction over Konkan coast, Madhya Maharashtra, Marathwada, Vidarbha, Madhya Pradesh and Chattisgarh even today. Under the scenario, isolated to scattered rainfall activity is expected over the above regions during next 36hrs.

• A fresh cyclonic circulation is likely to form in 24hrs time over the southeast Bay of Bengal to the southeast of Andaman & Nicobar Islands. Since, this circulation is forming well with in the pre-existing east-west shear zone over the south Bay of Bengal and also over the marginally warm ocean surface, it is likely to gain strength in its travel towards the peninsular India in coming 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 rains/snow are expected over Himachal and Uttaranchal for next 12- 24Hrs.

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

• Mainly dry weather may prevail over the region.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

• Isolated and scattered rains are expected over Vidarbha, Madhya Pradesh and Chattisgarh during next 24-36hours

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

• Widespread with isolated heavy to very heavy rains are expected over north coastal A.P. and widespread rains over north Tamilnadu, Rayalaseema during next 48 hrs. Subsequently, the rainfall belt may shift towards interior parts of south interior Karnataka. Scattered rains are also expected over north interior Karnataka, Malabar Coast, Kerala and Lakshadeep islands.

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

• Isolated and scattered rains are expected over Konkan coast and Marathwada during next 24-36hrs. Mainly dry weather is expected to prevail over rest of the region.

Source: NCMRWF

MACD is moving downwards, indicating medium term bearishness.

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

Outlook: It is expected that the prices for maize to remain bearish in the coming days as short term as well as medium term.

Recommendation: Remain short



Resistance and Support level:

The resistance level at present is at 557.5 and 560.3 marks. Support level may be seen at 550.5 and 547.1 marks as very short-term basis.

R1	R2	S1	S2
557.5	560.3	550.5	547.1

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