

**Maize**

**13<sup>th</sup>-19<sup>th</sup> 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 slight firm in Delhi mandis in this weekend as compared to last week. The Maharashtra and M.P. maize was quoted at Rs. 660-665 and Rs.690 per quintal in Delhi at this weekend. The Rajasthan maize fetched Rs.690 per quintal at this weekend in Delhi. The strong demand from Haryana and Punjab kept the prices mostly on strong position. The domestic demand also pushed up the prices. The arrival remained moderate around 25000-30000 bags at this weekend. It is expected by the traders that the maize prices would remain steady in the coming week.

### KARNATAKA MARKET:

The market sentiment for maize witnessed range bound with steady in Karnataka market in this week over last week. The arrival remained less and demand remained weak therefore the prices prevailed on stable range. The local arrival was going in this mandis. The Nammaklall maize was traded at Rs.610 per quintal. Bangalore (T.N. Delivery) was quoted at Rs. 580-585/qlt on Monday.

### KOLKATA MARKET:

Kolkata market remained weak in this week, as demand was very poor. The arrival from Karnataka and A.P. witnessed poor but weak demand from market kept the prices on lower side in this week over last week. The maize was quoted at Rs.630-635 per quintal at this weekend. The demand from feed mill is witnessed also weak.

### BIHAR MARKET:

Maize prices remained stable in Bihar market due to less stock about 7-10% in the market yards. The quality became substandard. The sowing progress is going well. According to the traders, the sowing area has increased nearly 50% in this area. Good weather is also boosting up the sowing area. The maize was traded at the range of Rs.630-635 per quintal in this market. Bihar is supplying maize to Siliguri, but few as this market feed by Karnataka also. Arrival remained almost completed in Bihar market.

### NIZAMABAD MARKET:

The NCDEX quality maize was traded at the range of Rs.555-565 per quintal in this weekend, which was relatively range bound as of last week. The prices remained almost range bound with stable in this week as compared to last week. The daily arrival remained around 500-700 bags. The stock remained very weak. The demand witnessed weak in this market.

### DAVENGERE MARKET:

The DavenGERE market recovered slightly in this week as compared to last week. The maize has traded at the range of Rs.525-530 per quintal with moderate arrival. The demand from poultry feed mills remained improved in this market.

### AHMEDABAD MARKET:

The maize prices continued its stable sentiment from several weeks in this market amidst stable demand from feed mills and stable arrival. The market is feeding by Maharashtra. The starch prices were quoted at Rs.615-620 per quintal. The poultry feed mill quality corn was traded at the range of Rs.615-620 per quintal. The daily average arrival witnessed at around 40-50 motors. These prices are stable as compared to last week. Market sentiments are expected to steady further in next week.

### GLOBAL MARKET

Corn futures at the Chicago Board of Trade (CBOT) rebounded from its recent losses and settled on higher side Friday amidst early fund-related buying and spillover support from stronger soybean futures early in the session underpinned prices. March corn increased 2.75 cents to \$2.075 per bushel, May gained 2.25 cents to \$2.163, and July also settled 2.75 cents higher at \$2.253 per bushel. Commodity fund buying was estimated at 6,000 contracts. Near-term support for March corn comes in at 2.048 with 2.115 and 2.143 as near-term resistance. South Korea imported 110,000 tonnes of optional origin corn overnight and Taiwan imported 60,000 tonnes of US corn. Ethanol futures showed a mixed sentiment. The most-active April contract did not trade but settled 0.5 cent lower at \$1.97 per

gallon. On Monday, the U.S. Department of Agriculture is scheduled to release the weekly export inspections report.

## CONCLUSION

The demand for corn remained strong due to the placement of poultry is increasing. Therefore Delhi market maintained its positive trend in this week as compared to last week. The M.P., Maharashtra and Rajasthan maize has traded on higher side at Rs.690 per quintal, Rs.660-665 per quintal and Rs.690 a quintal in Delhi mandis. The demand from the starch sector is also going up, therefore it is putting pressure on prices. Deshi Red fetched Rs.610-615 per quintal, Gajjar maize remained on Rs.540-545 per quintal; Hybrid Yellow got Rs.630-635 per quintal; Kesari Rs.605 per quintal, respectively at this weekend at the market yard excluding cost of packing, transport etc. Last year same time the average price was Rs.545-555 per quintal. This year the prices are higher by 8%-10%.

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

MARKETS	12.12.05	19.12.05
Delhi (MP Maize)	685-687	690
Delhi (Maharashtra Maize)	650-660	660-665
Maharashtra	515-517	525-530
Gujarat (Maharashtra Maize)	610-620	620-625
Sangli truck bilty	520	525
Pune Starch	570-575	610-615
Ahmedabad Poultry feed mills	615-620	615-620
Ahmedabad Starch	605-615	615-620
Bihar (Bilty Price)	625	630
Bangalore - Tamil Nadu delivery New	580	580-585
Nammaklall Maize	600	610
Kolkata mill delivery	640-645	630-635
Nizamabad Local Maize	555	555-565
Devengere Local maize	510-520	525-530

## NEWS ANALYSIS:

### DOMESTIC AND INTERNATIONAL

#### Maize Procurement Likely to Start in Chhattisgarh

The current news is that the Chhattisgarh government has decided to open procurement centre at various station to procure maize to prevent the farmer from distress selling of maize. Therefore the government will procure the maize at minimum support price of Rs.540/qlt.

#### Maize Maintained its Stable Sentiment at Spot Market

Maize prices maintained its stable sentiment in Delhi and Ahmedabad market. Where as it recovered Rs.5-7 per quintal in Maharashtra market due to good demand from

Delhi and Kolkata. The maize has traded at Rs.520-525/qlt at this mandis. The M.P. and Maharashtra maize has quoted at Rs.690 and Rs.660-665 per quintal in Delhi market with moderate demand from feed mills, Haryana and also Punjab. The arrival from U.P. remained poor in Delhi market. The market price is expected to remain steady in the coming days.

#### World Corn Outlook on Thursday

Strategie Grains, a private European analytical firm, increased corn productions estimation to 50 million metric tons in 2006-07 E.U., which is up 4% on the year. Early Thursday afternoon, the Canada Border Services Agency, or CBSA, said it made a preliminary determination that U.S. grain corn exports to Canada are dumped and subsidized and that it would impose immediate provisional duties of US\$1.65 per bushel on U.S. corn. South Korea is tendering for 110,000 tonnes of optional origin corn. Taiwan announced another tender for tomorrow for 56,000 to 60,000 tonnes.

#### Corn: USDA Weekly Export Sales Highlights

According to the latest USDA export sales highlights on corn, the net sales of 920,600 MT were 33 percent above the previous week, but 4 percent under the prior 4-week average. Increases for Japan (632,200 MT), Colombia (116,800 MT, including 25,000 MT switched from unknown destinations), Taiwan (39,700 MT), South Korea (35,000 MT), Guatemala (34,800 MT), and Peru (33,000 MT) were partially offset by decreases for unknown destinations (27,100 MT), Tunisia (25,000 MT), and Egypt (21,200 MT). Sales of 1,200 MT for 2006/07 delivery were reported for South Korea. Exports of 1,018,600 MT were equal to the previous week and 10 percent over the prior 4-week average. The primary destinations were Japan (332,100 MT), Mexico (194,200 MT), Colombia (141,800 MT), the Philippines (60,500 MT), Canada (55,500 MT), and Taiwan (50,500 MT). (This summary is based on reports from exporters for the period December 2-8, 2005.)

#### Corn Export Glittering in Argentina

Argentina's corn export is hovering in this current year. It is witnessed that Argentina had exported about 13.00-13.25 million metric tons of 2004-05 (March-February) corn as of Dec. 16, the Agriculture Secretariat reported Tuesday. Where as Argentina had exported around 10.00-10.10 MMT of corn at the same time of last year.

#### Coarse Cereals Sowing Acreage Decreased

Coarse cereals sowing acreage is behind from previous year at 1.82 lakh ha to 61.35 lakh ha with jowar sowing slipping by 3.11 lakh ha to 48.22 lakh ha. Area under jowar is showing a dip in Tamil Nadu, Karnataka, Andhra Pradesh and Maharashtra. The area under maize and barley is up 73,000 hectares and 38,000 hectares respectively.

#### Maize Prices Remained Weak in Mysore Market

In the Mysore market, there was a decreasing trend of maize prices witnessed. Maize prices fell by Rs.25 at the maximum level and Rs.17 at the minimum level. The rates were Rs.401 and Rs.511. Arrival of maize stocks was around 657 quintals, a drop by 661 quintals over the previous week. But the Hassan market maintained the previous week rates of Rs.450 and Rs.480 at the two ends. But, there also maize supply fell sharply to 4,823 quintals from 10,181 quintals the previous week, short by 5,358 quintals.

## RABI CROP ACERAGE STATISTICS

(In Lakh Hectares)

Normal Area	Area Coverage (12.12.05)			Area Difference In Absolute %Age Over Last Year
	This Year	Last Year	Diff	
7	6.11	5.73	+0.73	Bih (+0.8, +53.4)

Source: Department of Agriculture, Government of India

## FOREX RATES (19.12.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.24
European Union	Euro	54.37
Japan	Yen	38.86
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	2300	Kolkata to Bangalore	2300
Ahmedabad to Kolkata	2700	Delhi to Ahmedabad	1110
Ahmedabad to Delhi	1390	Delhi to Bangalore	3000
Bangalore to Kolkata	2833	Delhi to Kolkata	2330
Bangalore to Delhi	2400	Karnal to Mumbai	2200
Bangalore to Ahmedabad	1500	Mumbai to Delhi	2200
Kolkata to Ahmedabad	2500	Kandla to Delhi	2150

## WEATHER WATCH: (As on 18<sup>th</sup> December, 2005)

## ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

### WEATHER OUTLOOK

• Coastal Tamilnadu, south coastal Andhra Pradesh and Bay Islands have reported scattered to fairly widespread rains for the last 12-18 hours.

• Yesterday's **Deep Depression** over Southwest Bay of Bengal moved west-northwards during the last 24hrs and has further intensified in terms of intense cloud bands organisation, deepened central pressure and enhanced sustained wind pattern around the system. It is currently located at southwest Bay around 10.6°N latitude and 82.3°E longitude characterized by about 75-80Km/hr maximum sustained wind, an estimated 987hPa of Central Pressure at 07:30UTC of today. South Andhra Pradesh has already experiencing about 35-40Km/Hr surface onshore winds since morning today. Model prediction suggests that the deep depression is likely to further intensify slowly and **move in west-northwestward initially** and may **perhaps move in very slow north/northeasterly direction subsequently** in coming 2-3days due to the influence of the large amplitude mid-latitude westerly trough in middle and upper troposphere.

• Model prediction further suggests that stronger winds with speed up to around 60 Km/Hr. are likely along north coastal Tamilnadu, coastal Andhra Pradesh during next 2-3 days. Fairly widespread to wide spread rainfall with isolated heavy to very heavy rains over coastal Tamilnadu & Pondicherry, coastal Andhra Pradesh during next 2-3 days. Scattered to fairly widespread rains are expected over Kerala, Lakshadweep, Rayalaseema, south interior Karnataka, Telangana in coming days.

• Cold wave conditions are prevailing over parts of north India and northwest India. Model prediction suggests that the minimum temperatures over Punjab and Rajasthan are likely to rise by about 1-2 °C due to the passing **Western Disturbance** that is likely to affect J&K, H.P. and adjoining areas of Punjab, Haryana and Uttaranchal during 19-20 December. Under its influence, these areas may receive isolated to scattered rainfall with snowfall over hilly regions during 19- 20 December.

### 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 snowfall/rainfall over J&K, H.P. and Uttaranchal and isolated rainfall over Punjab and Haryana during 18-20 December.

### 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 ]

• The region is likely to experience mainly dry weather.

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

• Fairly widespread to wide spread rainfall with isolated heavy to very heavy rains over coastal Tamilnadu & Pondicherry, coastal Andhra Pradesh and Bay Islands during next 2-3 days. Scattered to fairly widespread rains are expected over Kerala, Lakshadweep, Rayalaseema, south interior Karnataka, Telangana, coastal Orissa in coming days.

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

• Mainly dry weather is expected to prevail over the region.

Source: NCMRWF

## TECHNICAL ANALYSIS

Commodity: Maize

Contract: January (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

The maize futures opened low and selling pressure brought down the prices mostly down to 541 but later slight buying pressure pushed up the prices and settled on lower side on 560 Monday.

The all of the indicators are hinting bearish trend of maize prices.

MACD is moving downwards to make a bearish crossover from up, indicating medium term bearishness.

The open interest as well as the volume of trade is increasing significantly, indicating good trading activity.

**Outlook:** Maize prices are expected to remain bearish in the coming days as short term as well as medium term.

**Recommendation:** Go for short position.



### Resistance and Support level:

The resistance level at present is at 564 and 567 marks. Support level may be seen at 557 and 554 marks as very short term.

R1	R2	S1	S2
564	567	557	554

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