

Maize

6th -12th 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 firm in Delhi mandis in this weekend as compared to last week. The Maharashtra and M.P. maize was quoted at Rs. 650-660 and Rs.685 per quintal in Delhi. The Rajasthan maize fetched Rs.685 per quintal at this weekend in Delhi. The strong demand from Haryana and Punjab kept the prices mostly on strong position. The domestic also pushed up the prices. The market recovered on Monday where as it prevailed on steady range from several days. The arrival remained moderate. 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 around 3000-4000 bags. The local arrival was going in this mandis. The Nammakal maize was traded at Rs.600-605 per quintal. Bangalore (T.N. Delivery) was traded at Rs. 580/qlt on Monday.

KOLKATA MARKET:

The strong arrival around 4-5 racks kept prices down in Kolkata market. The other bearish factor is less demands therefore the maize prices prevailed at Rs.640-645 per quintal in this market. More supply of maize is the major factor for declining the prices. The demand from feed mill witnessed weak.

BIHAR MARKET:

Maize prices remained stable in Bihar market due to less stock about 10% in the market yards. The quality became inferior. The sowing progress is going well. According to the traders, the sowing area increased nearly 50% in this area. The maize was traded at the range of Rs.625-630 per quintal in this market. Bihar is supplying maize to Siliguri, but few as this market feed by Karnataka. Arrival remained almost completed in Bihar market.

NIZAMABAD MARKET:

The NCDEX quality maize was traded at the range of Rs.555-557 per quintal in this weekend, which was same

as of last week. The prices remained almost stable in this week as compared to last week. The daily arrival remained around 500 bags. The stock remained very weak. The demand witnessed weak in this market.

DAVENGERE MARKET:

The Devengere market remained sight weak in this week as compared to last week. The maize was traded at the range of Rs.510-520 per quintal with moderate arrival. The demand from poultry feed mills remained weak in this market.

AHMEDABAD MARKET:

The maize prices continued its stable sentiment in this market amidst stable demand from feed mills and stable arrival. The arrival was from Maharashtra. The starch prices were quoted at Rs.605-615 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 20000 bags. These prices are stable as compared to last week. Market sentiments are expected to steady further in next week.

GLOBAL MARKET

Chicago Board of Trade (CBOT) corn futures remained firm again on Friday amidst a massive net short position from the speculator could attract short-covering support for next week and a supportive technical development. March Corn settled up 2 at 203.75, 0.25 off the high and 4.25 up from the low. May Corn finished up 1.75 at 212.5. This was 3.75 up from the low and 0.25 off the high. The other factors is fears that bird flu will keep Asia demand weak helped pressure the market to a new contract low early in the session. Near-term support for March corn comes in at 200.75 and 199.5 with 204.75 and 208.25 as near-term resistance.

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. Where as maize prices recovered in Delhi mandis at this

weekend as strong demand from Punjab and Haryana. Maize is the third most important coarse cereal in India and used for poultry, starch and livestock feed. Some part are also showed slight weak undertone in this week. The prices are expected to remain 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	5.12.05	12.12.05
Delhi (MP Maize)	675-677	685-687
Delhi (Maharashtra Maize)	650-655	650-660
Maharashtra	520-525	515-517
Gujarat (Maharashtra Maize)	610-620	610-620
Sangli truck bilty	525-530	520
Pune Starch	575-580	570-575
Ahmedabad Poultry feed mills	615-620	615-620
Ahmedabad Starch	605-610	605-615
Bihar (Bilty Price)	630-635	625
Bangalore - Tamil Nadu delivery New	575-580	580
Nammaklall Maize	600-605	600
Kolkata mill delivery	660-665	640-645
Nizamabad Local Maize	555-560	555
Devergere Local maize	520-525	510-520

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

Anil Group Procures around 1.5 Lakh MT Maize Every Year

Anil Group of Companies, which is well known of Ahmedabad-based starch and modified starch manufacturer which procures about 1,50,000 tonne of maize every year from traders. For last four to five years, APL (Anil Products Limited) is procuring maize from states like Karnataka and Bihar in large quantity apart from Gujarat, Rajasthan and Madhya Pradesh. APL is also allowing for venture into contract farming of maize. Anil is one of the oldest and largest corns wet milling unit in India, producing a varied range of starches from basic maize starch to modify and specialty starches. Maize starch was used for thickening sauces, pudding and gravies, bakeries and for preparing ice cream cones.

Low Production Putting Some Pressure on Maize Prices

In India, the most of the maize has been harvested. But the higher prices of maize is indicating that maize production bacame lower than expected. The southern belt has received excessive rains, which might affect Rabi sowing, specially in Tamil Nadu. It is witnessed that the demand from Tamil Nadu's poultry industry is over 12 lakh tonnes of corn, where as the production is anticipated to be 60 lakh tonnes in Tamil Nadu of which 48 lakh tonnes will be in Rabi, the pressure will be on Karnataka and Andhra Pradesh to fulfil the requirements of maize in Tamil Nadu

for its growing broiler and layer sector. With Gujarat, West Bengal also putting pressure on Andhra and Karnataka, therefore the prices are bound to go up in the near future.

Corn: USDA Weekly Export Sales Data

According to latest export sales data of USDA on corn, the net sales of 694,300 MT were 14 percent above the previous week, but 31 percent under the prior 4-week average. Increases for Japan (332,600 MT, including 101,600 MT switched from unknown destinations), Taiwan (149,600 MT, including 58,000 MT switched from unknown destinations), Mexico (126,000 MT), Colombia (93,400 MT, including 30,000 MT switched from unknown destinations), El Salvador (43,100 MT, including 13,000 MT switched from unknown destinations), Canada (31,000 MT), Tunisia (30,000 MT), and Morocco (30,000 MT) were partially offset by decreases for Egypt (85,700 MT), unknown destinations (84,000 MT), and South Korea (46,000 MT). Exports of 1,021,100 MT were 53 percent above the previous week and 13 percent over the prior 4-week average. The primary destinations were Japan (349,700 MT), Mexico (166,700 MT), Taiwan (110,700 MT), Colombia (87,800 MT), Egypt (64,300 MT), Guatemala (56,300 MT), and Algeria (51,500 MT). (This summary is based on reports from exporters for the period November 25 - December 1, 2005)

USDA: Corn Ending Stocks Witnessed Up

According to the latest report of USDA on corn ending stocks of U.S. for the 2005/2006 season were pegged at 2.419 billion bushels as compared with the average trade estimate at 2.347 billion bushels (range 2.169-2.400) and 2.319 billion posted last month. This is the highest ending stocks in 18 years and the highest stocks/usage ratio (22.5%) since the 1992/93 season. Exports were revised lower by 100 million bushels from last year. World ending stocks for the 2005/2006 seasons were revised higher to 118.73 million tonnes from 114.21 million tonnes from last months report and from 126.63 million tonnes this past year. China exports were revised higher by 3 million tonnes from last month to 6 million tonnes. China has more corn to export due to weaker internal demand due to bird flu.

RABI CROP ACERAGE STATISTICS

(In Lakh Hectares)

Normal Area	Area Coverage (5.12.05)			Area Difference In Absolute %Age Over Last Year
	This Year	Last Year	Diff	
7	5.23	4.68	+0.55	Bih (+0.4, +26.4), UP (+0.1, +25.9)

Source: Department of Agriculture, Government of India

FOREX RATES (12.12.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.20
European Union	Euro	54.68
Japan	Yen	38.23
Great Britain	Pound Sterling	81.31

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	2200	Kolkata to Bangalore	2300
Ahmedabad to Kolkata	2700	Delhi to Ahmedabad	1088
Ahmedabad to Delhi	1390	Delhi to Bangalore	2888
Bangalore to Kolkata	2833	Delhi to Kolkata	2440
Bangalore to Delhi	2667	Karnal to Mumbai	2200
Bangalore to Ahmedabad	1667	Mumbai to Delhi	2200
Kolkata to Ahmedabad	2500	Kandla to Delhi	2150

WEATHER WATCH: (As on 12th December, 2005)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

WEATHER OUTLOOK

- The depression over Tamil Nadu centered near Vedaranniyam has weakened into a Low Pressure area and lies over South Tamil Nadu coast at 0830 hrs IST of

TECHNICAL ANALYSIS

Commodity: Maize

Contract: December (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

Technical Analysis for NCDEX December contract

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

The most of the indicators are indicating downward direction of maize prices, except MA and Stochastic, which are indicating bullish sentiment.

today and likely to weaken further. Under its influence scattered to fairly widespread rainfall with isolated heavy falls are likely over Tamil Nadu, Kerala and Lakshadweep during next 24 hrs.

- Rainfall activity over Tamil Nadu, Kerala and Lakshadweep is likely to decrease after 24 hrs.
- An easterly wave as the remnant of a low pressure system over South China Sea, appears to be moving westwards and may affect south Tamilnadu coast and Kerala on 15-16 December, 2005.
- The western Disturbance as an upper air system over north Pakistan and adjoining Jammu & Kashmir has now moved away eastwards. Another weak western disturbance is likely to approach hilly region of NW India by 14th Dec. However, being a weak one, not much impact of this system is expected.

ZONE-WISE WEATHER FORECAST FOR NEXT 5-DAYS

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

- Mainly dry weather may prevail over NW India during next 3 days. Isolated snow/rains are expected over upper reaches of J & K and Himachal on 14-15 December, 2005.

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]

- Mainly dry weather is expected over the region till 12th Dec., 2005.

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

- Scattered to fairly widespread rains with isolated heavy falls are likely over Tamil Nadu & Pondicherry, Kerala and Lakshadweep during next 24 hours and decrease thereafter. Scattered to Fairly widespread rains are expected over Andaman & Nicobar Islands during next 3-4 days. Isolated rains are also likely in Coastal AP, Rayalaseema and south Interior Karnataka. Mainly dry weather may prevail in the rest areas of the region.

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

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

Source: NCMRWF

MACD is moving downwards, indicating medium term bearishness.

The open interest as well as the volume of trade is slight decreasing.

Outlook: The maize prices are anticipated 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 552.6 and 557.5 marks. Support level may be seen at 543.8 and 537.7 marks as short as well as medium term.

R1	R2	S1	S2
552.6	557.5	543.8	537.7

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