

Maize

24th –30th January 2006

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:

Delhi market showed slight range bound with steady sentiment in this week as against of last week due to stable arrival and stable demand from Punjab and Haryana. The arrival was from Maharashtra, Karnataka, Rajasthan and M.P. The most of the bags is coming from Maharashtra. The Maharashtra and M.P. maize was traded at Rs. 675-680 and Rs.700-710 per quintal in Delhi on Monday. The Rajasthan maize was sold in this mandis at Rs.690-700 per quintal. The Karnataka maize has traded at Rs.675-680 per quintal on Monday. It is expected by the traders that the maize prices would remain steady in the coming days.

KARNATAKA MARKET:

The most of the mandis showed a steady movement in this week as compared to last week. The daily average arrival was witnessed at 10000-15000 bags from Devengere and local area. The demand from poultry industry remained stable. Maize traded at the range of Rs.585-595 per quintal in Bangalore. The Nammaklall maize has traded at Rs.610-615 per quintal on stable side.

KOLKATA MARKET:

The market sentiment for maize prices remained range bound in this week as compared to last week in Kolkata market. Therefore this market maintained steady sentiment in this week. The price fluctuation remained almost steady due to stable demand-supply scenario. The average weekly arrival was around 2-4 racks. This market is feeding by Karnataka. The demand from feed mill is witnessed also weak.

BIHAR MARKET:

Maize prices remained mostly steady in Bihar market amidst paucity of stock and good spot and other neighbouring State's demand. But the stock is almost depleted therefore the demand remained stable. The maize is only supplying to Siliguri in West Bengal market. The quality became substandard. The maize has traded at the

range of Rs.670-675 per quintal as bilty price in this market. There was no arrival in the market.

NIZAMABAD MARKET:

Paucity of arrival creates a less demand in this market therefore the maize prices has been remained range bound with steady sentiment from several weeks. The new crop likely to hit in March, according to the traders. The daily average arrival is 60-100 bags from local areas. The market has no stock. The NCDEX quality maize was traded at the range of Rs.555-560 per quintal on Monday on slight higher side. The average quality maize prices prevailed at Rs.515-520 per quintal.

DAVENGERE MARKET:

The Devengere market also showed range bound with steady sentiment in this week as compared to last week. The maize has quoted at the range of Rs.535-545 per quintal for good quality where as inferior quality maize prevailed at Rs. 510-520 per quintal with moderate arrival. The demand from poultry feed mills remained stable in this market but the demand from Bangalore remained pronounced. The daily average arrival is witnessing at 3000-5000 bags in each mandis. The maize is supplying to Karnataka and Kolkata.

AHMEDABAD MARKET:

The starch prices maintained its stable to slight weak sentiment in Ahmedabad market due to stable demand from Starch industry in this mandis. The starch prices were quoted at Rs.645-650 per quintal. The poultry feed mill quality corn was traded at the range of Rs.655-660 per quintal on mostly stable side amidst strong demand from feed mills. The daily average arrival witnessed at around 25-35 motors. Market sentiments are expected to steady in next week.

MAHARASHTRA MARKET:

Maize prices remained slight weak in Maharashtra market due to higher arrival and slight weak demand. The maize is supplying to Delhi and Gujarat. The maize prices had decreased by Rs.5-10 per quintal at Monday and prevailed at Rs.550-555 per quintal. The less stock at the market yards also kept pressure on prices. The maize was prevailed at Rs.640-645 per quintal at Pune market.

CONCLUSION

The corn prices remained mostly stable in this week as compared with last week. The demand from poultry industry and starch industry remained stable in this week as compared with last week. The most of the market has less stock therefore the prices remained on mostly stable side. The sowing progress is going behind as compared to last year.

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

MARKETS	23.01.06	30.01.06
Delhi (MP Maize)	700-710	700-710
Delhi (Maharashtra Maize)	675-680	670-680
Maharashtra	560-565	550-555
Gujarat (Maharashtra Maize)	650-655	645-650
Sangli truck bilty	560	560
Pune Starch	640-645	640-645
Ahmedabad Poultry feed mills	660-665	655-660
Ahmedabad Starch	650-655	645-650
Bihar (Bilty Price)	670-675	670-675
Bangalore - Tamil Nadu delivery New	590-595	585-590
Nammaklall Maize	610	610-615
Kolkata mill delivery	645-655	645-655
Nizamabad Local Maize	555-560	550-560
Devengere Local maize	535-545	540-545

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

Rabi Maize Acreage Still Decreasing

According to Agricultural Ministry, the maize acreage has covered 7.06 lakh hectares in the current year till 23rd January, which is behind from 7.18 lakh hectares in the previous year same period. The acreage has increased in Bihar where as acreage has decreased in Tamil Nadu and Uttar Pradesh.

Crisis Made Tanzania to Import Maize

According to the assessment carried out by the Tanzania Ministry of Agriculture, Food Security and Co-operatives, in collaboration with the Prime Minister's Office about 594,503 people of the same country were at risk following crop failure. Therefore, Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) assured the government

of full co-operation in importing food to counterbalance the crisis. In this regards, the government declared tax waiver on all imported maize as part of the actions to compensate food scarcity.

Increase in Global Consumption of Maize

Global consumption of maize is increased by 3 m. tons to 675 m. tons, alike to the record of 2004-05. It is owing to the fact of higher demand in North America because of heavy feed use and rapidly growing ethanol production. The higher demand is also seen in Europe and Africa. The world production is now put as 683 m. tons, which are 6 m. tons more than previous. Harvest of maize in US and China were larger than previously estimated. The anticipated sales of China (October-September) are up by 2 m. tons to 5 million tonnes.

RABI CROP ACERAGE STATISTICS

(In Lakh Hectares)

Normal Area	Area Coverage (23.01.06)			Area Difference In Absolute %Age Over Last Year
	This Year	Last Year	Diff	
7	7.06	7.18	-0.12	AP (+0.1, +7.6), TN (-0.2, -17.8), UP (-0.1, -10.6)

Source: Department of Agriculture, Government of India

TRUCK FREIGHT RATES BETWEEN VARIOUS CENTRES

City	Freight rates (RS./ton)	City	Freight rates (RS./ton)
Ahmedabad to Bangalore	2400	Kolkata to Bangalore	2500
Ahmedabad to Kolkata	3100	Delhi to Ahmedabad	978
Ahmedabad to Delhi	1500	Delhi to Bangalore	3056
Bangalore to Kolkata	2555	Delhi to Kolkata	2000
Bangalore to Delhi	2610	Karnal to Mumbai	2250
Bangalore to Ahmedabad	1610	Mumbai to Delhi	2250
Kolkata to Ahmedabad	2440	Kandla to Delhi	2300

FOREX RATES (30.01.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.14
European Union	Euro	53.43
Japan	Yen	37.61
Great Britain	Pound Sterling	78.03

WEATHER WATCH: (As on 30th January, 2006)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

WEATHER OUTLOOK

A western disturbance is likely to approach in next 24 Hrs. and affect NW India during next 2-3 days. Under its influence J&K, H.P. and Uttaranchal is likely to experience scattered snowfall/rains during 23-24 January 2006. Temperatures over NW India are likely to remain near normal during next 3-4 days. Some parts of Indogangetic Plains of north India are likely to experience light foggy condition in morning and evening hours during 24-26 January 2006.

ZONE-WISE WEATHER FORECAST FOR NEXT 5-DAYS

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

Isolated snowfall/rainfall activity is likely over J&K and H.P. during next 24-36 hours. Slight rise in day and night temperatures is expected during next 2-3 days.

TECHNICAL ANALYSIS

Commodity: Maize

Contract: February (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

The maize futures gradually decreased in this week as compared to last week. January contract opened very low at Rs.558 and selling pressure pulled down the prices and settled on lower side on Monday as compared to previous day. It traded at the range of Rs.550.50-558.00 on Monday.

The most of the indicators like Candlesticks, MA, RSI, PROC are indicating weak undertone of maize prices though Candlesticks pattern and Stochastic is indicating trend reversal.

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

The region is likely to experience mainly dry weather during next 5 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely to prevail. Rise in day and night temperatures by 2-3 deg C is expected during next 2-3 days.

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

Mainly dry weather is likely to prevail over the region.

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

Mainly dry weather is expected to prevail. Day and Night temperatures are likely to increase to become normal or slightly above normal during next 4 days.

Source: NCMRWF

MACD is indicating bearish sentiment and remain on negative territory, indicating medium term bearish ness of prices.

The open interest is decreasing but volume is increasing, indicating some bullishness of prices.

Outlook: Maize prices are expected to trade bullish short term; where as some bearish sentiment is likely to possible as medium term. Bullish sentiment is expected as long term.

Recommendation: Go for long position as short term.



Resistance and Support level:

The resistance level at present is at 561.5 and 564.5 marks. Support level may be seen at 545.8 and 543.8 marks as very short term as well as medium term in the coming week.

R1	R2	S1	S2
561.5	564.5	545.8	543.8

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