

Maize

10th-16th 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 strong sentiment in this week as against of last week due to slight upward demand from Punjab and Haryana and also from feed mills. The less arrival is also contributing the prices up. The lower arrival around 10000-12000 bags is witnessed at this weekend. 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 quoted at Rs. 690-695 and Rs.700-710 per quintal in Delhi on Monday. The Rajasthan maize also showed stable trend in this mandis and prevailed at Rs.705-710 per quintal. The Karnataka maize has traded at Rs.705-710 per quintal on Monday. It is expected by the traders that the maize prices would remain steady in the coming days.

KARNATAKA MARKET:

Due to 'Pongol' festival, the market remained closed for three to four days; therefore the market activity remained poor in this week. Maize traded at the rate of Rs.585-590 per quintal with stable arrival. The Nammaklall maize has traded at Rs.600-610 per quintal on stable side. Bangalore (T.N. Delivery) was quoted at Rs. 585-590/qtl on Monday.

KOLKATA MARKET:

Kolkata 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 4 racks. This market is feeding by Karnataka. The demand from feed mill is witnessed also weak.

BIHAR MARKET:

Maize prices remained mostly strong in Bihar market amidst paucity of stock and good spot and other neighbouring State's demand. The maize is only supplying to Siliguri in West Bengal market. The quality became substandard. The maize has traded at the range of Rs.675-680 per quintal as bilty price in this market. There was no arrival in the market.

NIZAMABAD MARKET:

Less arrival create a less demand in this market therefore the maize prices remained almost steady in this week. The new crop likely to hit in March, according to the traders. The daily average arrival is 100-150 bags from local areas. The market has no stock. The NCDEX quality maize was traded at the range of Rs.550-555 per quintal on Monday. The average quality maize prices prevailed at Rs.510-520 per quintal.

DAVENGERE MARKET:

The Devengere market remained slight strong in this week as compared to last week. The maize has quoted at the range of Rs.540-545 per quintal for good quality where as inferior quality maize prevailed at RS.515-520 per quintal with moderate arrival. The demand from poultry feed mills remained stable in this market. The daily average arrival is witnessing at 4000-5000 bags in each mandis. The maize is supplying to Karnataka and Kolkata.

AHMEDABAD MARKET:

The starch prices increased in Ahmedabad market due to strong demand from Starch industry in this mandis. The starch prices were quoted at Rs.640-655 per quintal. The poultry feed mill quality corn was traded at the range of Rs.655-675 per quintal on mostly higher side amidst strong demand from feed mills. The daily average arrival witnessed at around 30-40 motors. The demand is awfully strong in this market. Market sentiments are expected to steady in next week.

MAHARASHTRA MARKET:

Maize prices improved in Maharashtra market due to strong buying pressure from Delhi, West Bengal and Gujarat. Therefore the prices increased from Rs.555-560 per quintal to Rs.560-565 per quintal. The positive demand from poultry industry is also a positive factor for price rise. The less stock at the market yards also kept pressure on prices.

GLOBAL MARKET

Chicago Board of Trade (CBOT) corn futures traded on slight bullish side Friday encouraged by position squaring in front of the holiday weekend. The USDA reported that US exporters have exported 126,900 tonnes of US corn to

Costa Rica. Poor pastures and range conditions in Texas and Oklahoma has pushed more and more cattle into feedlots or needing additional feed which may be boosting feed usage. Some bird flu concerns and news that China production jumped 4 million tonnes to keep China as an exporter this season helped limit the upside. March corn finished up 0.75 cent at \$2.135 per bushel, May corn also gained 0.75 cent to \$2.23, and July corn settled 1 cent up at \$2.315 per bushel. Near-term support for March corn comes in at \$2.11 and \$2.098 with \$2.153 and \$2.165 as next resistance. The strong sentiment in soybeans also supported the corn market to up. Commodity fund buying was estimated at 5,000 contracts. Ethanol futures remained higher, with the most-active April contract rising 3 cents, settling at \$2.30 per gallon. The CBOT will be closed on Monday due to the holiday of the Martin Luther King Jr.

CONCLUSION

The most of the mandis showed stable sentiment where as Delhi, Maharashtra, and Gujarat market showed a bullish undertone in this week due to good demand from starch and poultry industry and less arrival at the market yards. The prices are likely to continue this tone in the coming days.

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

MARKETS	9.01.06	16.01.06
Delhi (MP Maize)	705-710	700-710
Delhi (Maharashtra Maize)	680-685	690-695
Maharashtra	555-560	560-565
Gujarat (Maharashtra Maize)	635-640	640-645
Sangli truck bilty	560-565	560
Pune Starch	615-620	655-660
Ahmedabad Poultry feed mills	650-655	655-675
Ahmedabad Starch	640-650	640-655
Bihar (Bilty Price)	650-660	675-680
Bangalore - Tamil Nadu delivery New	600-605	585-590
Nammaklall Maize	600-610	600-610
Kolkata mill delivery	655-660	650-660
Nizamabad Local Maize	555-560	550-555
Devengere Local maize	530-535	540-545

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

U.S. Corn Ending Stocks Likely to Lower

U.S. traders were looking for a jump in 2005 corn production of about 40 million bushels, a solid tone for usage has traders looking for an adjustment lower of about 40-50 million bushels for ending stocks. For ending stocks for the 2005/2006 seasons, traders are looking for 2.37 billion bushels (range 2.21-2.494) as compared with 2.419 last month. For the final production estimate for the 2005 crop, traders are looking for production near 11.069 billion bushels (11.011-11.105) as compared with 11.032 as the

previous USDA forecast. For the quarterly grain stocks report, traders look for December 1st stocks near 9.741 billion bushels (range 9.45-9.9) as compared with 9.451 billion last year.

Argentina Likely to Fetch Lower Corn Crop

Argentina's 2005-06 corn harvest is estimated at 14 million tons, much less than previously expected, according to Juan Gear, president of the Argentine Corn Association, or Maizar. The record 2004-05 crops of 19.5 million tons were supported by a combination of favorable weather and solid prices, but this year's crop was affected by an extended drought. The USDA, however, pegged Argentina's 2005-06 corn crop at 16.8 million tons.

WASDE: Latest Report on Corn Production

Projected 2005/06 U.S. corn stocks rise slightly from last month due to increased production that is nearly offset by higher use. Estimated 2005/06 corn production is up 80 million bushels based on increased harvested area, partially offset by lower yields. Projected 2005/06 exports are down 50 million bushels from last month based on the slow pace of sales, increased competition, and reduced imports by Canada. Projected feed and residual use is up 125 million bushels because of strong use in the first quarter. No changes are made to projected U.S. 2005/06 corn food, seed, and industrial use. Ending stocks are up 7 million bushels to 2,426 million, and are 314 million larger than the previous year. The projected price range for 2005/06 corns is \$1.75 to \$2.05 per bushel, up 15 cents on the low end and 5 cents on the upper end from last month. The price is raised because prices received by farmers (reported by the National Agricultural Statistics Service) have been above cash prices. This suggests that farmers forward contracted a substantial portion of the crop when prices were higher.

Coarse Grains: WASDE Report

The outlook for global coarse grains in 2005/06 is for larger production, little change in consumption, slightly reduced trade, and higher stocks relative to last month. Foreign production is up nearly 2.7 million tons with the largest increases projected in China and EU-25. These gains are partially offset by smaller crops in Russia and Argentina. Foreign 2005/06 coarse grain consumption is down 3.6 million tons with large decreases projected in Russia and Brazil as well as other countries. Imports are projected down for Canada, Brazil, and Israel but up for EU-25 and several other countries. In addition to the lower projected exports from the United States, exports decline for Argentina but rise for Brazil. Foreign 2005/06 ending stocks rise 9.2 million tons from last month. The largest increases in foreign stocks occur in Brazil, China, and EU-25. Brazil's 2005/06 beginning stocks are up over 4 million tons due to revisions to domestic use and stocks estimates for previous years. The largest decline in foreign ending stocks is projected for Canada and Russia.

Corn: USDA Weekly Export Sales Highlights

According to the USDA weekly export sales highlights on corn, the net sales of 631,200 MT were 32 percent above the previous week, but 4 percent under the prior 4-week average. Increases for unknown destinations (203,000 MT), Japan (150,600 MT), South Korea (119,700 MT), Saudi Arabia (60,000 MT), Morocco (48,500 MT), and Colombia (38,300 MT) were partially offset by decreases for Taiwan (58,900 MT). Exports of 717,300 MT were 35 percent below the previous week and 30 percent under the

prior 4-week average. The primary destinations were Japan (200,500 MT), South Korea (174,700 MT), Egypt (76,000 MT), Morocco (58,500 MT), Colombia (58,400 MT), Taiwan (54,000 MT), Panama (39,800 MT), and Mexico (37,900 MT). Accumulated exports for Japan were adjusted down by 58,700 MT. (This summary is based on reports from exporters for the period December 30, 2005-January 5, 2006)

RABI CROP ACERAGE STATISTICS

(In Lakh Hectares)

Normal Area	Area Coverage (2.01.06)			Area Difference In Absolute %Age Over Last Year
	This Year	Last Year	Diff	
7	6.88	7.06	-0.18	TN (-0.2, -13.9)

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	2560
Ahmedabad to Kolkata	3175	Delhi to Ahmedabad	1000
Ahmedabad to Delhi	1500	Delhi to Bangalore	3055
Bangalore to Kolkata	2610	Delhi to Kolkata	2055
Bangalore to Delhi	2500	Karnal to Mumbai	2250
Bangalore to Ahmedabad	1610	Mumbai to Delhi	2250
Kolkata to Ahmedabad	2440	Kandla to Delhi	2300

FOREX RATES (16.01.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.26
European Union	Euro	53.35
Japan	Yen	38.63
Great Britain	Pound Sterling	77.95

TECHNICAL ANALYSIS

Commodity: Maize

Contract: January (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

WEATHER WATCH: (As on 15th January, 2006)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

WEATHER OUTLOOK

As per the earlier assessment, the movement of a western disturbance towards J&K and adjoining parts of NW India has resulted in to warmer nights and the same conditions are to continue over NW India till 18-19 January 2006. Under its influence, scattered to fairly widespread snowfall over hilly regions of NW India (J & K, Himachal and Uttaranchal) and isolated to scattered rains over adjoining plains of NW India (Punjab, Haryana-including Chandigarh and Delhi, Western Uttar Pradesh, Rajasthan) is expected in coming days. Scattered to fairly widespread rains have been realized over south coastal Tamilnadu, Kerala, Lakshadweep, NE States, J & K, Himachal, Uttaranchal for the last 24-hrs. Yesterday's DEPRESSION over the southeast Arabian Sea has moved in predominant west-north-westerly direction during the last 24-hrs and persists as a low-pressure area now over the southeast Arabian Sea. It is likely to move in predominant west-north-westerly direction and dissipate gradually. Hence, only a isolated to scattered rainfall activity is now expected over Lakshadweep and Kerala for next 24-48hrs or so.

ZONE-WISE WEATHER FORECAST FOR NEXT 5-DAYS

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

Scattered to fairly widespread snowfall/rains is likely over J&K, H.P. and Uttaranchal and isolated rains over adjoining Punjab and Haryana in coming 3-days. Subsequently, cold-wave conditions are likely to set in all over the region.

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

The region is likely to experience mainly dry weather with fog in morning and late evenings particularly over parts of east U.P. and Bihar.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely.

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

Kerala and Lakshadweep are likely to receive isolated to scattered rainfall in coming 1-2days. Subsequently, dry weather is likely to prevail.

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

Scattered rainfall activity is expected over Rajasthan for next 2-3days only and mainly dry weather is expected to prevail over rest of the region.

Source: NCMRWF

The maize futures decreased gradually at the ahead of this week but slight buying pressure pushed up the prices from mid of this week but traded on slight lower side on Monday. January contract opened low at Rs.556.50 but settled slight upper side though the prices remained much lower than that of last closing. It traded at the range of Rs.553.50-560.00 on Monday.

The most of the indicators like Candlesticks, MA, RSI, PROC are indicating bearish ness of the prices. Where as Stochastic is hinting slight upward ness of prices.

MACD is indicating weak but remain on negative territory, indicating medium term bearish ness of prices.

The open interest is decreasing but volume is increasing, indicates profit booking.

Outlook: Maize prices are anticipated to trade range bound with weak in the coming days as short term where as some bearish undertone might be possible as medium term.

Recommendation: Go for short position as short term.



Resistance and Support level:

The resistance level at present is at 559.5 and 561.5 marks. Support level may be seen at 553.1 and 550.7 marks as very short term likely for Tuesday.

R1	R2	S1	S2
559.5	561.5	553.1	550.7

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