

Maize

31st January-6th February 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. Where as the prices of Maharashtra maize went to Rs.685-690 per quintal at mid of this week but fell down slightly. The average arrival was around 15000-2000 bags 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. 680-685 and Rs.695-700 per quintal in Delhi on Monday. The Karnataka maize has traded at Rs.680-685 per quintal on Monday. The demand from poultry sector remained stable. 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 positive undertone in this week as compared to last week amidst slight weak arrival. The daily average arrival was witnessed at 3000-5000 bags from Devengere and local area. The demand from poultry industry remained stable. Maize traded at the range of Rs.600-605 per quintal in Bangalore. Where as new crop has hit the Nammakal market and therefore the prices has decreased by Rs.25-30 per quintal.

KOLKATA MARKET:

The market sentiment for maize prices remained range bound with slight weak undertone in this week as compared to last week in Kolkata market. The price fluctuation remained almost steady due to stable demand-supply scenario. The average weekly arrival was around 3-4 racks. This market is feeding by Karnataka. The demand from feed mill is witnessed also weak.

BIHAR MARKET:

The stock of maize has been completed and therefore the trading sentiment remained very poor. The new crop is likely to hit the market in end week of March to first week

of April. The production is likely to go up by 25-30% as compared to last year due to increase in area. There was no arrival in the market.

NIZAMABAD MARKET:

Paucity of arrival creates a less demand in this market for old crop therefore the maize prices has been remained range bound with steady sentiment from several weeks. The new maize crop has hit the market but very few around 30-40 bags and traded at Rs.570-575 per quintal as loose basis. The new crop likely to hit in March as full-fledged, according to the traders. The daily average arrival is 100-200 bags from local areas for old crop. The market has no stock. The NCDEX quality maize was traded at the range of Rs.555-560 per quintal on Monday on stable side.

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.540-545 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 4000-6000 bags in each mandis. The procurement by the various centres also kept pressure on prices. The maize is supplying to Karnataka and Kolkata.

AHMEDABAD MARKET:

In Ahmedabad market, the demand from poultry sector remained slight weak but starch industry remained remarkable therefore the starch prices showed slight positive trend in this week. The starch prices were quoted at Rs.650-655 per quintal. The poultry feed mill quality corn was traded at the range of Rs.640-655 per quintal on slight lower side amidst weak demand from feed mills. The daily average arrival witnessed at around 45000-5000 bags in Gujarat market. 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.615-620 per quintal at Pune market.

GLOBAL MARKET

Corn futures at the Chicago Board of Trade (CBOT) increased further and settled moderately higher Friday, triggered by strong fund and technical buying. Another surge higher in wheat sparked renewed fund buying in the corn market to support a move to the highest level since September 1st for new crop and since September 12th for the March futures. Open interest hit another new record high and is approaching 1 million contracts. Most-active March settled at its peak level since early September. March corn fetched 4.75 cents higher price to \$2.258 per bushel, May also increased 4.75 cents to \$2.35, and July settled 4.75 cents higher at \$2.44. Near-term support for March corn comes in at \$2.225 and \$2.21 with \$2.26 and \$2.29 as resistance. Ethanol futures settled slightly higher.

CONCLUSION

The corn prices remained mostly stable in this week as compared with last week. The demand from poultry industry remained slight weak where as 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.

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

MARKETS	30.01.06	6.02.06
Delhi (MP Maize)	700-710	695-700
Delhi (Maharashtra Maize)	670-680	675-680
Maharashtra	550-555	545-550
Gujarat (Maharashtra Maize)	645-650	645-655
Sangli truck bilty	560	580
Pune Starch	640-645	615-620
Ahmedabad Poultry feed mills	655-660	640-655
Ahmedabad Starch	645-650	650-655
Bangalore - Tamil Nadu delivery New	585-590	600
Nammaklall Maize	610-615	580
Kolkata mill delivery	645-655	640-650
Nizamabad Local Maize	550-560	555-560
Devengere Local maize	540-545	540-545

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

Rabi Maize Acreage Decreased

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.

Corn Output Likely to Down in Argentina

According to the report from Argentina, the Argentinian traders are expecting that the corn production would be near 13-14 million tonnes as compared with 20 million tonnes last year and 16.8 million tonnes posted by the USDA in the January supply/demand report.

Corn: USDA Weekly Export Sales Highlights

According to latest USDA export sales highlights on maize, the net sales of 1,380,100 MT were 36 percent below the previous week's marketing-year high, but 24 percent over the prior 4-week average. Major increases were reported for Japan (366,100 MT), unknown destinations (292,000 MT), South Korea (120,000 MT), the Dominican Republic (112,800 MT), Taiwan (95,900 MT), Mexico (91,300 MT), Colombia (69,600 MT), Syria (66,300 MT), Egypt (66,200 MT), and Tanzania (36,100 MT, including 25,000 MT switched from unknown destinations). Optional origin sales of 55,000 MT were reported for delivery to South Korea in 2005/06. Sales of 60,000 MT for 2006/07 delivery were reported for unknown destinations. Exports of 937,400 MT were 1 percent above the previous week and 2 percent over the prior 4-week average. The primary destinations were Japan (256,400 MT), Taiwan (165,400 MT), Egypt (126,200 MT), Cuba (48,900 MT), Jordan (41,400 MT), Colombia (37,600 MT), Syria (36,300 MT), and Tanzania (36,100 MT). Note: Accumulated exports for Japan were adjusted down by 17,700 MT. (This summary is based on reports from exporters for the period January 20-26, 2006)

MARKFED to Procure Maize in Andhra Pradesh

The Andhra Pradesh MARKFED is likely to procure maize at the minimum support price (MSP) in their village itself. Markfed chairman Ponnamm Prabhakar reported this was following the success of their pilot project on procurement of maize in seven Telangana districts at farmer's doorsteps through grass root village-level federations of women's self-help groups. For the first time in the country, 2.40 lakh tonnes of maize was procured in 261 villages.

Maize: Centres Procured around 2.73 Lakh Tons in Davengere

According to a source, around 2.73 lakh MT of maize was procured at the support price of Rs.540 per quintal till Wednesday through six maize procurement centres in Davengere district. The value of purchases worth Rs 15.61 crore and farmers paid Rs 8.8 crore towards purchase of maize and balance would be paid soon. The government also extended the purchase of maize through procurement centres up to February 28. Talukwise breakup of maize procurement in all six taluks is as follows: Highest procurement of maize was done at Honnali taluk 95,456 quintal, Harapanahalli 85,940, Davanagere 40,337, Harihar 23,383, Chennagiri 19,584 and Jagalur 9,423 quintal, Dyaberi said, So far, 3,831 farmers sold their maize through procurement centres in district. Nearly 800 quintals of maize purchased daily.

RABI CROP ACERAGE STATISTICS

(In Lakh Hectares)

Normal Area	Area Coverage (30.01.06)			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	2350	Kolkata to Bangalore	2500
Ahmedabad to Kolkata	2990	Delhi to Ahmedabad	889
Ahmedabad to Delhi	1700	Delhi to Bangalore	3056
Bangalore to Kolkata	2445	Delhi to Kolkata	2000
Bangalore to Delhi	2720	Karnal to Mumbai	2250
Bangalore to Ahmedabad	1640	Mumbai to Delhi	2250
Kolkata to Ahmedabad	2500	Kandla to Delhi	2300

TECHNICAL ANALYSIS

Commodity: Maize

Contract: February (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

The maize futures showed a bullish undertone in this week as compared with last week. The prices increased by Rs.6.50 in this week. February contract opened very low at Rs.555 strong buying pressure pushed up the prices and settled at Rs.560 on Monday. It traded at the range of Rs.555-560 on Monday.

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

FOREX RATES (6.02.06)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.20
European Union	Euro	53.13
Japan	Yen	37.23
Great Britain	Pound Sterling	77.80

WEATHER WATCH: (As on 4th February, 2006)

As no significant weather system is affecting the country., largely dry weather conditions continue to prevail over most parts of the country. This scenario is likely to continue for another 2-3 days. However, due to formation of an upper air cyclonic circulation extending upto 3.6 km a.s.l over northeastern states and neighbourhood, isolated rainfall is likely over the region and Sub-Himalayan West Bengal & Sikkim. Isolated rainfall is also likely over Tamil Nadu and Kerala. Day & night temperatures are 4-5°C above normal over many parts of north and central India. However, the temperatures of northwest India are likely to fall by 2-3°C during next 2 days.

Forecast:

NORTH: Weather will be mainly dry over the region.

EAST: Isolated rain/thundershowers likely over northeastern States and Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region.

SOUTH: Isolated rain/thundershowers are likely over Tamil Nadu and Kerala. Weather will be Mainly dry in the rest region.

WEST: Weather will be **mainly dry** over the region.

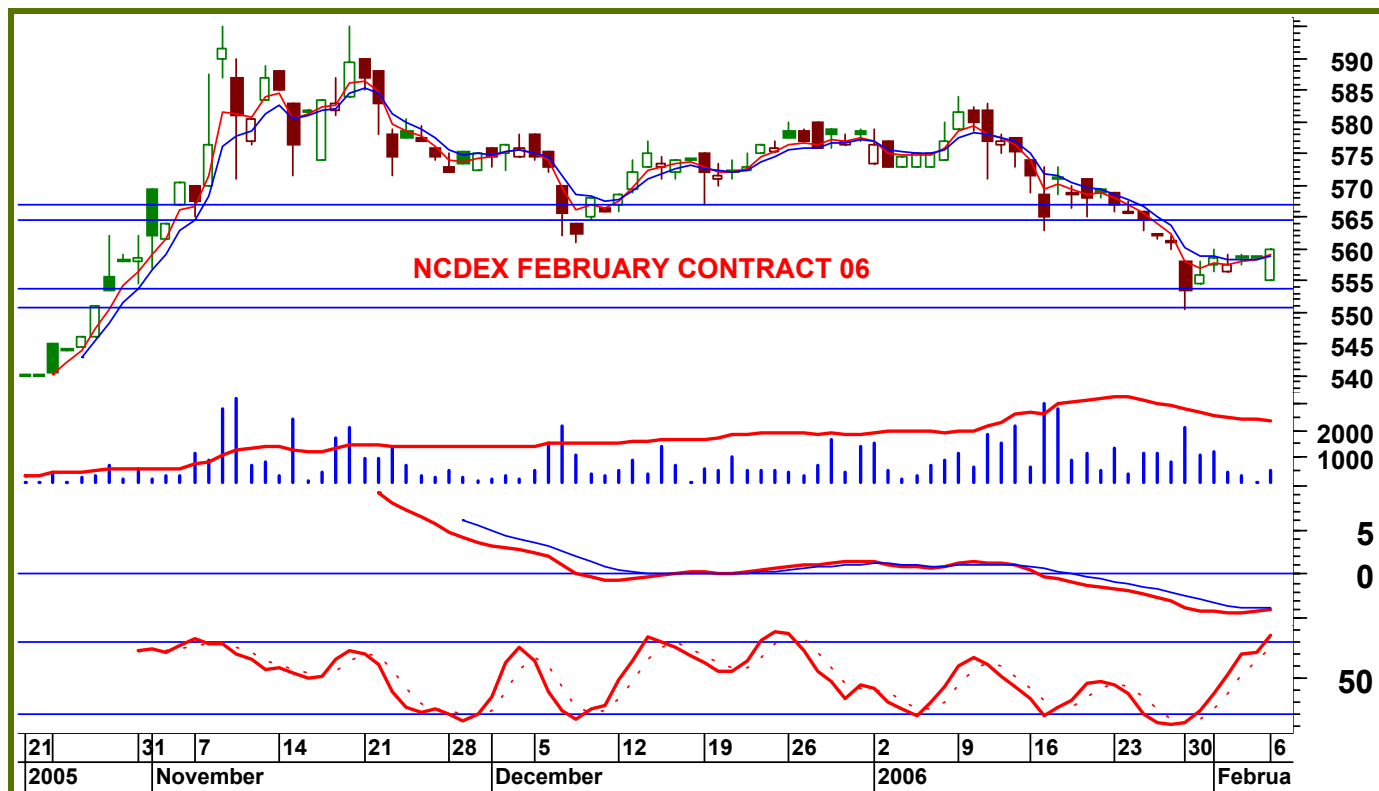
Source: IMD

MACD is indicating medium term bullish ness of maize prices though it remain on negative territory.

The open interest as well as volume is decreasing, indicating some bearishness of prices.

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

Recommendation: Go for short position as short term.



Resistance and Support level:

The resistance level at present is at 564.5 and 567.0 marks. Support level may be seen at 553.8 and 550.8 marks as very short term as well as medium term in the coming week.

R1	R2	S1	S2
564.5	567.0	553.8	550.8

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