

Maize

April 17th –22nd, 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:

Poor arrival from Maharashtra and Bihar triggered the market to some how up in this week in Delhi mandis. The demand from the outside markets as well as other states remained stable. The maize prices remained slight up and traded at Rs.700-705/qlt for Maharashtra maize and Rs.680-685/qlt for Bihar maize. The average arrival was 2-3 motors from Bihar and the totalled daily average arrival in Delhi was 3000-4000 bags. The demand from starch industry remained moderate. The prices are expected to steady in next week.

BANGALORE MARKET:

The market sentiment for maize witnessed almost range bound in this week as compared with last week in Bangalore market. The governing factor was poor arrival. The bags are coming from Andhra Pradesh. The demand from starch industry witnessed stable as compared with poultry industry. The maize prices have prevailed at Rs.590-595 per quintal at this weekend at steady side. Maize has traded at the rate of Rs.570-575 per quintal at Nammaklall on stable side.

KOLKATA MARKET:

The bearish trend of maize prices get restricted and the market remained range bound in this week as compared with last week in Kolkata market. The arrival remained steady from Bihar. The maize has traded at Rs.610-615 per quintal in this market with poor demand from poultry industry.

BIHAR MARKET:

The demand from the outside markets kept pressure on maize prices in this week in Bihar market. The maize is going to Uttar Pradesh, West Bengal, Delhi, Punjab, and Haryana etc. The daily average arrival was 10000-15000 bags in Bihar, according to the traders. At Naogachia mandis, the maize prices remained steady at Rs.495-500/qlt with average arrival were 3000-4000 bags. According to the traders, the prices are likely to steady in the coming week due to strong demand from various places. The demand from poultry industry also witnessed poor but the demand from corn industry showed steady sentiment.

NIZAMABAD MARKET:

The maize prices showed a range bound sentiment in this week over last week amidst stable arrival. The maize is offering at Rs.551-557/qlt in Andhra Pradesh with average arrival of 20000-25000 bags. In Nizamabad mandis, maize is offering at Rs.520-525/qlt with average arrival of 3000-4000 bags. The government has stocks of around 42 lakh tonnes, according to the traders. The demand from corn industry showed good but poultry industry showed very poor demand due to bird flu concern and poor demand about poultry by human beings.

DAVENGERE MARKET:

The Devengere market showed slight weak undertone in this week as compared to last week. The maize prices remained at Rs.490-500/qlt as loose basis (Rs.530-535/qlt as bilty price) with totalled arrival of 10000-15000 bags in Karnataka. The average arrival was 3000-4000 bags at Davengere market. The maize is going to Bangalore and Kolkata market. The procurement by the various centres also kept pressure on prices.

AHMEDABAD MARKET:

In Ahmedabad market, the maize prices witnessed weak in this week due to very poor demand from poultry industry and stable arrival from Maharashtra. The weekly average arrival was 2-3 racks. The poultry and starch prices were quoted at lower side. The starch prices were quoted at Rs.635-640 per quintal, slight weak as compared to previous week. Where as the maize for poultry has quoted at Rs.650-655 per quintal, according to trade sources. Market sentiments are expected to steady in the coming week.

MAHARASHTRA MARKET:

Sentiment for maize market remained almost range bound during this week over last week. The demand from poultry industry remained negligible but less stock and low arrival kept the market relatively stable to Rs.540-545 per quintal with average arrival 2-3 lorries at Jalgaon mandis. The demand from starch industry and dearth of arrivals brought positive impact on its prices. The maize is supplying to Delhi and Gujarat. The prices remained strong in Pune and Sangli market due to moderate arrival.

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

MARKETS	15.04.06	22.04.06
Delhi (Maharashtra Maize)	685-695	700-705
Delhi (Bihar Maize)	680-685	680-685
Maharashtra	545-550	540-545
Gujarat (Maharashtra Maize)	630-640	630-640
Sangli truck Bilty	570-580	585-590
Pune Starch	615-625	635-640
Ahmedabad Poultry feed mills	660-665	650-655
Ahmedabad Starch	640-650	635-640
Bangalore - Tamil Nadu delivery New	590-595	585-595
Nammaklall Maize	570-575	570-575
Kolkata mill delivery	610-620	610-615
Nizamabad New Maize	520-530	520-525
Devengere Local maize	500-505	490-500
Bihar (New Maize) Loose Basis	495-500	500-505

CONCLUSION

The sentiment for maize market is witnessing almost range bound in this week over last week amidst stable demand-supply scenario at most of the pockets. The poor arrival is mainly offsetting the weak demand. The demand from the starch industry is showing moderate as compared to poultry industry. However the producing states like Andhra Pradesh and Bihar are showing slight bearish trend on increasing arrival. In Delhi, the maize prices remained slight up and traded at Rs.700-705/qlt for Maharashtra maize and Rs.680-685/qlt for Bihar maize in this week. The maize prices remained at Rs.490-500/qlt as loose basis (Rs.530-535/qlt as bilty price) with average arrival of 3000-4000 bags at Davengere market. The totalled daily arrival is around 10000-15000 bags in Karnataka. In Nizamabad mandis, maize is offering steady at Rs.520-525/qlt with average arrival of 3000-4000 bags. The maize is offering stable side at Rs.550-555/qlt in Andhra Pradesh with average arrival of 20000-25000 bags.

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

Maize Exports Remained Sluggish in S.Africa

According to the South African Grain Information Service (SAGIS), the South African white maize exports fell to 20,868 tonnes in the week to April 14 compared to 23,967 tonnes the previous week. Yellow maize exports also slipped to 488 tonnes from 1,233 tonnes the week before. The country's imports of yellow maize dropped to 16,370 tonnes, compared to 29,537 tonnes the previous week, it added. The grain was imported from Argentina, the usual source for this product.

Maize Prices Moved Down in Delhi on Poor Demand

In poor trading, maize and bajra prices fell down in the wholesale grains market in Delhi on Wednesday due to lethargic demand from consuming industries and from Punjab and Haryana. According to the traders, substantial fall in demand from consuming industries against increased arrivals from producing centres like Bihar and Maharashtra mainly pulled down maize and bajra prices. Maize quoted lower at Rs.675-680 per quintal over last close of Rs.685-690 on poor demand. Bajra also showed

weakness and declined to Rs.660-665 per quintal from Rs.665-670.

Corn: USDA Weekly Export Sales Highlights

According to the latest USDA export sales highlights of corn; the net sales of 1,103,100 MT were 35 percent above the previous week and 29 percent over the prior 4-week average. Increases for South Korea (224,800 MT, including 91,400 MT switched from Japan and 55,000 MT switched from unknown destinations), Mexico (211,500 MT, including 22,400 MT switched from unknown destinations), Indonesia (164,100 MT), Japan (127,100 MT), Egypt (115,000 MT), Taiwan (80,200 MT), Guatemala (71,000 MT), and Morocco (55,500 MT, including 18,000 MT switched from unknown destinations) were partially offset by decreases for unknown destinations (167,400 MT). Optional origin sales of 40,000 MT were reported for delivery to Egypt in 2005/06. Exports of 902,100 MT were 2 percent above the previous week, but 14 percent under the prior 4-week average. The primary destinations were Japan (279,000 MT), Mexico (158,100 MT), South Korea (114,900 MT), Taiwan (75,700 MT), the Dominican Republic (49,500 MT), Israel (46,600 MT), and Guatemala (37,400 MT). (This summary is based on reports from exporters for the period April 7-13, 2006)

Govt Decided to Release Maize to the Poultry Sector

The government agreed to release 5.3 lakh tonne maize and broken rice which are used as feed to boost up the poultry industry which is recovering from the bird flu shock. Agriculture Minister Sharad Pawar has gave this assurance to poultry industry delegation, which included members of National Egg Coordination Committee (NECC), state poultry associations and industry bodies.

FOREX RATES (22.04.06)

Country	Currency	Value in Rupees
USA	Dollar	45.09
European Union	Euro	55.40
Japan	Yen	38.33
Great Britain	Pound Sterling	80.15

WEATHER WATCH:

Meteorological Analysis

At present a Western Disturbance lies over Jammu & Kashmir and adjoining hilly region. Under its influence on going scattered to fairly widespread rain / snow activity is likely to continue over Jammu & Kashmir, Himachal Pradesh and Uttaranchal during next 24 hrs. and reduce significantly thereafter. Adjoining plains of NW India viz. Punjab, Haryana, North Rajasthan and West Uttar Pradesh may experience isolated rains / thundershowers. As indicated earlier, due to combined impact of Easterly wave affecting Southern India and Western Disturbance affecting NW India and moving Eastward, entire South Peninsular India (viz. Tamil Nadu & Pondicherry, Kerala, Karnataka and Andhra Pradesh), Eastern parts of Central India (viz. East MP, Chhattisgarh), East India (East UP, Bihar, Jharkhand, Orissa and West Bengal) and NE States, are likely to receive enhanced rainfall and thundershower activity during next 2-3 days. With the result, day temperatures in these areas are likely to continue having falling tendencies for next 2-3 days. Another weak Western Disturbance is expected to approach Jammu & Kashmir region around 21 April, 06. It may cause isolated to scattered rain/snowfall over Jammu & Kashmir and Himachal Pradesh during 21-22 April, 2006.

Rainfall

Scattered to fairly widespread rainfall activity continued over Northeastern States and Sub-Himalayan West Bengal & Sikkim during the entire week. Rain / snow occurred at many places over Jammu & Kashmir and Himachal Pradesh on 10th April, 2006. It was isolated over Jammu & Kashmir on 11th and 16th April, 2006. Light isolated rain occurred over Kerala and Tamil Nadu upto 14th April 2006, which increased on 15th & 16th April and extended into rest of South Peninsula. Light to moderate thundershower activity commenced over Gangetic West Bengal, Orissa, Chhattisgarh, Jharkhand and East Madhya Pradesh during

TECHNICAL ANALYSIS

Commodity: Maize

Contract: May (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

The maize futures at the NCDEX traded at lower levels as against last week. The trading activity is remaining very dull. However, the May futures traded with bullish sentiments during the weekend. The volume as well as open interest was found at some higher levels during the last part of the week following very lower levels during the first part of the week. NCDEX most active May contracts showed a firm undertone in this week and increased by Rs.7.00 from Rs.540.00 to Rs.547.00. It traded within the range of Rs.536.0-547.0 in this week.

second half of the week. Weather was mainly dry over the rest parts of the country.

TEMPERATURES

The day temperatures remained 4oC-5oC above normal over parts of Jharkhand, Chhattisgarh and adjoining Orissa during first half of the week and over Northwest India, Gangetic plains and Central India during second half of the week. They were generally 2oC-3oC above normal over rest parts of the country throughout the week outside Northeastern States where they were 2oC-3oC below normal in the beginning of the week.

Outlook For The Week Ending On April 29, 2006)

There is significant decreasing trend in rainfall activity over east and northeastern states. While intermittent light rain and thunderstorm activity over the region may continue, major activity may remain confined to northern parts e.g., Arunachal Pradesh, North Assam and Sub-himalayan West Bengal during next 3-4 days. As predicted, the day temperatures have started showing increasing trend over some parts of the country. This tendency may continue for another 5 days with temperature values crossing 40 deg C mark in certain locations in North and Central India. North-east and east India may also experience increasing tendency in day temperatures. As no major weather is likely to affect during next 5 days, most of the country may remain devoid of significant rainfall activity during this period. There is, however, chance of isolated rain/snowfall activity in the hilly region of northwest India during 21-23 April, caused by a weak western disturbance. Adjoining parts of Punjab and Haryana may experience cloudy conditions on 22 and 23 April, 2006. The model predictions continue to indicate formation of a low pressure system in the southeast Bay of Bengal around 23rd April, 2006.

Source: IMD

The most of the indicators are hinting to bullish sentiments of maize prices

The open interest as well as volume remained at higher levels in this week as compared to last week.

Outlook: Maize prices are expected to trade bullish as short term; where as some steady to somewhat bullish sentiment might be possible as medium term as well as long term.

Recommendation: Go long near support levels for weekly perspectives.



Resistance and Support level:

The resistance level at present is at 551.40 and 553.60 marks. Support level may be seen at 539.50 and 537.60 marks as very short term as well as medium term in the coming week.

R1	R2	S1	S2
539.50	537.60	551.40	553.60

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