

Maize

April 10th –15th, 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:

Slight weak sentiment is witnessed in this week about maize market due to higher arrival and slight poor demand from Punjab and Haryana. The maize prices remained slight weak and prevailed at Rs.685-695/qrtl in Delhi with average arrival of 2-4 trucks from Bihar and 5000-6000 bags from Maharashtra. The demand from starch industry remained moderate. The prices are expected to steady in next week.

BANGALORE MARKET:

The market sentiment for maize remained slight strong on poor arrival in this week as compared to last week in Bangalore market. 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. Maize has traded at the rate of Rs.570-575 per quintal at Nammakal on higher side.

KOLKATA MARKET:

This market showed bearish trend for maize prices in this week as compared with last week amidst strong arrival from Bihar. The prices decreased by Rs.5-10 per quintal at this weekend with higher arrival of 12-15 trucks from Bihar. The maize has traded at Rs.610-620 per quintal in this market with poor demand from poultry industry. According to the traders, the prices are likely to down by Rs.10-15/qrtl in the coming week.

BIHAR MARKET:

The strong arrival of new maize crop again pulled down the prices in Bihar market in this week. The bearish sentiment is witnessed at Bihar where the arrival of new maize crop is increasing day by day. The maize prices are showing a bearish undertone in Bihar and quoted at Rs.495-500/qrtl with daily average arrival of 2000-3000 bags at Naogachia mandis and 10000-15000 bags totalled in Bihar. The arrival is prevailing in between 1200-1500 bags in Khagaria and Muzzafarpur mandis. 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. The Bihar maize is going to Uttar Pradesh and West Bengal. The few arrival is also supplying to Delhi but the higher freight charge has created negative impact on arrival. Harvesting pressure in Bihar would bring negative impact on its prices in next month.

NIZAMABAD MARKET:

The maize prices has been showing slight weak undertone with moderate trading activity. The maize is offering at Rs.550-555/qrtl in Andhra Pradesh with average arrival of 25000-30000 bags where as the sentiment remained mostly weak in Nizamabad mandis and maize is offering at Rs.520-525/qrtl with average arrival of 4000-5000 bags. 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 Davengere market showed a range bound with steady sentiment in this week as compared with last week. The maize prices remained almost steady at Rs.500-505/qrtl as loose basis (Rs.530-535/qrtl 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 remained almost steady in this week due to stable demand supply scenario. The daily average arrival was 35-50 motors, which is also kept pressure on prices. The most of the maize is coming from Maharashtra. The starch prices were quoted at Rs.640-650 per quintal, slight weak as compared to

previous week. Where as poultry maize has quoted at Rs.660-665 per quintal at this weekend amidst demand from Chakki, according to trade sources. Market sentiments are expected to steady in the coming week.

MAHARASHTRA MARKET:

Maize prices on spot market showed slight strong in Maharashtra market despite poor demand from poultry industry but less stock and low arrival kept the market relatively slight strong to Rs.545-550 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 stable in Pune and Mumbai market.

GLOBAL MARKET

Corn futures at the Chicago Board of Trade (CBOT) settled marginally down on Thursday amidst favourable weather forecasts for corn planting and early technical selling. May corn slipped 0.75 cent to \$2.363 per bushel, July lost 0.25 cent to \$2.485, and December declined 0.75 cent to \$2.685. A continued dry outlook for the central and southern Corn Belt helped spark more selling in corn this morning as the market is attempting to adjust to the possibility that corn gets planted early. If so, there is a better chance to expand acreage and there is also a better chance for above average yields. A lack of follow-through selling on the early break and end of the week short covering supported the firm close. Weekly US export sales for corn came in at 922,400 metric tonnes as compared to trade expectations between 700,000-900,000. Ethanol futures showed a mixed sentiment. The April contract did not trade and finished 2.5 cents lower at \$2.705 per gallon. May gained 1 cent to \$2.71. June, which did not trade, slipped 5 cents to \$2.69.

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

MARKETS	8.04.06	15.04.06
Delhi (Maharashtra Maize)	700-705	680-685
Delhi (Bihar Maize)	-	685-695
Maharashtra	540-545	545-550
Gujarat (Maharashtra Maize)	630-635	630-640
Sangli truck Bilty	570-580	570-580
Pune Starch	615-630	615-625
Ahmedabad Poultry feed mills	660-665	660-665
Ahmedabad Starch	645-650	640-650
Bangalore - Tamil Nadu delivery New	575-585	590-595
Nammaklall Maize	550-565	570-575
Kolkata mill delivery	615-620	610-620
Nizamabad New Maize	540-545	520-530
Devengere Local maize	505-510	500-505
Bihar (New Maize) Loose Basis	500-505	495-500

CONCLUSION

Strong arrival of new maize from Bihar and Andhra Pradesh has pulled down the prices in this week, therefore the maize prices has declined by Rs.5-10 per quintal at most of the pockets. The demand from poultry industry remained very negligible. The payment from the poultry industry also a great problem however the demand from starch industry has been showing normal in this week. The maize prices remained slight weak and prevailed at Rs.685-695/qrtl in Delhi with average arrival of 2-4 trucks from Bihar and 5000-6000 bags from Maharashtra. The maize prices are showing a bearish undertone in Bihar and quoted at Rs.495-500/qrtl with daily average arrival of 2000-3000 bags at Naogachia mandis and 10000-15000 bags totalled in Bihar. The Bihar maize is going to Uttar Pradesh and West Bengal. The few arrival is also supplying to Delhi but the higher freight charge has created negative impact on arrival. The maize prices remained almost steady at Davengere mandis and traded at Rs.500-505/qrtl as loose basis (Rs.530-535/qrtl as bilty price) with totalled arrival of 10000-15000 bags in Karnataka.

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

USDA: US Corn Ending Stocks Fell Down

According to the latest report of USDA, the projected 2005/06 U.S. corn stocks fall 50 million bushels from last month due to increased exports. Exports increase due to reduced competition from Argentina. No changes are made to projected U.S. 2005/06 domestic use. The projected price range for 2005/06 corn is \$1.95 to \$2.05 per bushel, up 10 cents on the low end from last month.

USDA: Latest WASDE Report on Corn

According to the latest report of USDA, the changes in global coarse grains in 2005/06 include a fractional decline in production, a slight increase in consumption, minor changes in trade, and smaller stocks relative to last month. Consumption is up in India, Indonesia, Australia, and Argentina. Consumption decreases in EU-25 and Paraguay. Relative to last month, imports are projected higher for Zimbabwe, Mexico, and Philippines but lower imports are projected for EU-25 and Indonesia. Foreign 2005/06 ending stocks rise fractionally with the largest increases in stocks occurring in EU-25, Turkey, and Indonesia. The largest projected decreases in foreign stocks occur in Mexico, Argentina, and Serbia and Montenegro.

Maize Export Remained Weak in S.Africa

According to the South African Grain Information Service (SAGIS), the white maize exports from South Africa decreased to 23,967 tonnes in the week to April 7 compared to 29,386 tonnes the previous week. Yellow maize exports also declined to 1,233 tonnes from 2,240 tonnes the week before, they concluded. Where as the country's imports of yellow maize increased to 29,537 tonnes over 25,854 tonnes the previous week. Of this 10,477 tonnes came from Argentina, the usual source for this product, and 19,060 tonnes from Germany.

Riddhi Siddhi to Set Up Maize Processing Plant in Uttaranchal

Riddhi Siddhi Gluco Biols Ltd is likely to going invest of Rs.120 crore this fiscal to establish a greenfield maize processing plant at Pant Nagar in Uttaranchal and upgrade two existing facilities in south India. The new plant of the starch and starch derivatives manufacturer will have a processing capacity of 1.65 lakh tonnes of maize per year. This will boost the overall crushing capacity to 4.5 lakh tonnes. The existing plants like Gokak in Karnataka and Viramgam in Ahmedabad crushes 1.65 lakh tonnes of maize annually. Therefore it would be a good opportunity for maize growers to fetch better prices of their produce. Because the demand from starch industry remained moderate however the demand from poultry industry has been showing poor and it negatively impact on the maize prices in the country. The maize production is expected to touch 15 million tonnes in this current fiscal, which is all time high.

China: First-Ever Imports of GM Corn Likely to Reach Mid-May

According to the source, the first time imports of genetically modified corn by China is likely to reach in the mid of next month. Two cargoes, each 100 metric tons have been departed from the U.S.A in mid-April, according to the government official. It is witnessing that the China is a major exporter of corn but it is expecting that China would be a net importer of maize in the coming year due to the rapid growth of its corn processing industry. In the previous year, China exported around 8-9 million tons of corn and imported about 4 thousand tons.

USDA: US Corn Export Sales Remained Up

Net sales of 814,700 MT were 24 percent above the previous week, but 11 percent under the prior 4-week average. Major increases were reported for Mexico (225,800 MT), South Korea (175,800 M), Japan (99,600 MT), Taiwan (98,100 MT), Egypt (45,000 MT), Morocco (37,500 MT), and Colombia (35,500 MT). Sales of 107,700 MT for delivery 2006/07 were mainly for Mexico (107,400 MT). Optional origin sales of 55,000 MT were reported for delivery to South Korea in 2005/06. Exports of 882,100 MT were 26 percent below the previous week and 15 percent under the prior 4-week average. The primary destinations were South Korea (231,300 MT), Japan (223,700 MT), Mexico (211,400 MT), Taiwan (70,600 MT), and Colombia (58,000 MT). (This summary is based on reports from exporters for the period March 31-April 6, 2006)

FOREX RATES (15.04.06)

Country	Currency	Value in Rupees
USA	Dollar	45.30
European Union	Euro	54.88
Japan	Yen	38.27
Great Britain	Pound Sterling	78.45

WEATHER WATCH:

Meteorological Analysis

Last week's upper air cyclonic circulation over south Tamil Nadu persisted on 6th and 7th and became less marked on 8th.

A western disturbance as an upper air system moved across Western Himalayan region during 8th to 11th April.

An induced upper air cyclonic circulation over west Rajasthan persisted from 8th to 11th and became less marked on 12th.

Incursion moist southerly flow from Bay of Bengal continued over northeastern states almost throughout the week.

An upper air cyclonic circulation lay over Gangetic West Bengal extending upto 0.9 km a.s.l. on 6th & 7th. It lay over Jharkhand on 9th and became less marked on 10th.

A wind discontinuity/trough at 0.9 km a.s.l. was seen running from Gangetic West Bengal to south Tamil Nadu through Chhattisgarh and south Interior Karnataka on 6th, 7th and 11th.

An upper air cyclonic circulation over East Uttar Pradesh extending upto 0.9 km a.s.l. was seen from 6th to 9th. Another upper air cyclonic circulation extending 0.9 km a.s.l. was seen on 10th & 11th over northeastern States.

Wind discontinuity/trough at 0.9 km a.s.l. running from East Uttar Pradesh to south Tamil Nadu through East Madhya Pradesh and south Interior Karnataka was seen on 8th & 9th.

Rainfall

Under the influence of above systems:

Scattered to fairly widespread rain/thundershowers occurred over northeastern states throughout the week with isolated heavy rainfall over Meghalaya on one or two days.

Light to moderate rainfall/snowfall also occurred at a few places over Jammu & Kashmir on 9th and at many places over Jammu & Kashmir and Himachal Pradesh on 10th. Isolated very light rainfall was also received in Uttaranchal, Punjab and north Haryana on 10th.

Isolated rainfall also occurred over South Interior Karnataka on 7th and Kerala and Andaman & Nicobar Islands on 11th.

Mainly dry weather prevailed over the rest parts of the country.

TEMPERATURES

Heat wave conditions prevailed over most parts of Rajasthan, northwest Madhya Pradesh from 6th to 8th and over Chhattisgarh, East Uttar Pradesh on 8th, 9th and 10th where temperatures remained 5-6° C above normal. However, heat wave conditions abated from Rajasthan, Madhya Pradesh and part of Uttar Pradesh on 11th and Chhattisgarh on 12th. Day temperatures remained 2-4° C below normal over northeastern states, Sub-Himalayan West Bengal & Sikkim throughout the week. They remained 3-4° C above normal over south Peninsula from 6th to 9th and 1-3° C above normal on 10th & 11th.

Outlook For The Week Ending On April 19, 2006)

Scattered rainfall is likely over northeastern states and Sub-Himalayan West Bengal & Sikkim throughout the week with increase in rainfall over northeastern states during 2nd half of the week.

Rain/snow is likely at many places over Jammu & Kashmir and at a few places over Himachal Pradesh and Uttaranchal during 15th -17th April.

Isolated duststorm/thunderstorm likely over plains of northwest India on 16th & 17th.

Scattered thundershower activity is likely over eastern & central Parts of the country and south peninsula for 3-4 days from 15th onwards.

The day temperatures are expected to rise to 2-3° C above normal during the middle of the week over western India and fall over south peninsula & eastern parts of the country during the later half of the week.

Source: IMD

TECHNICAL ANALYSIS

Commodity: Maize

Contract: May (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

The maize futures at the NCDEX are witnessing a bearish undertone in this week as compared with last week but the trading activity is remaining very dull. The volume as well as open interest is decreasing day by day. NCDEX most active May contracts showed a weak undertone in this week and decreased by Rs.7.50 from Rs.548.50 to Rs.541.00. It traded within the range of Rs.540.8-548.0 in this week.

The most of the indicators are hinting to weak ness of maize prices except Candlesticks and Stochastic, which are indicating to bullish ness as they are going to upward from

oversold region. MACD is hinting to medium term bearish ness.

The open interest as well as volume remained stable in this week as compared to last week.

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

Recommendation: Go for long position at dip level as long term.



Resistance and Support level:

The resistance level at present is at 545.00 and 550.50 marks. Support level may be seen at 538.5 and 532.8 marks as very short term as well as medium term in the coming week.

R1	R2	S1	S2
545.00	550.50	538.5	532.8

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