

Maize

April 3rd –8th, 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:

Rangebound with steady sentiment is witnessed in this week about maize market due to slight weak arrival, which is offsetting the poor demand in Delhi. The sentiment remained stable in Delhi and it traded at Rs.695-705 per quintal with virtually very poor arrival around 4000-5000 bags daily. The demand from starch industry, Punjab and Haryana remained moderate. The daily average arrival is witnessed around 4000-5000 bags from Maharashtra. The prices are expected to steady in next week.

BANGALORE MARKET:

The market sentiment for maize remained almost stable 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.575-585 per quintal at this weekend. Maize has traded at the rate of Rs.550-560 per quintal at Nammakal on stable 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.25-35 per quintal at this weekend with higher arrival of 10-12 trucks. The maize has traded at Rs.615-620 per quintal in this market with poor demand from poultry industry. According to the traders, the prices are likely to down by Rs.15-25/qtl in the coming week.

BIHAR MARKET:

The strong arrival of new maize crop pulled down the prices once again 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 new maize is offering at Rs.500-510 per quintal as loose basis at Naogachia mandi in Bihar with average arrival of 1000-1500 bags. The arrival is prevailing in between 1200-1500 bags in Khagaria and Muzzafarpur mandis. The demand

from UP and Kolkata remained moderate for Bihar maize. According to the traders, the prices are likely to decrease in the coming week due to increasing in arrival. The demand from poultry industry also witnessed poor but the demand from corn industry showed steady sentiment. The new maize is going to Kolkata and Banaras and other parts of UP, the production is expected to increase over last year. Harvesting pressure in Bihar would bring negative impact on its prices in next month.

NIZAMABAD MARKET:

The maize prices has been showing steady undertone since previous week with moderate trading activity. The arrival remained moderate around 2000-4000 bags daily, which has offset the poor demand. 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. The maize has traded within the range of Rs.540-545 per quintal at this weekend.

DAVENGERE MARKET:

The Davengere market showed a range bound with steady sentiment in this week as compared with last week. The new maize is registered at Rs.500-510 per quintal at Davengere mandis with average arrival 3000-4000 bags and 10000-12000 bags all over Karnataka. 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 demand from Starch industry remained stable during this week but the demand from Chakki's showed strong sentiment, which has offset the poor demand from poultry industry. 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.645-650 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 range bound in Maharashtra market due to poor demand from poultry industry but less stock and low arrival kept the market relatively stable to Rs.540-545 per quintal 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 showing a bullish undertone and finished on upper side following weak opening on Friday and the most active contract finished at its highest level since mid-summer. Lower gasoline prices seemed to put pressure on corn early in the session, but they recovered somewhat as the session progressed, although still down on the day. Higher gasoline prices improve the profitability of ethanol production and help solidify demand. The other bullish factor was technical buying. May corn finished 1.5 cents strong to \$2.43 per bushel, July settled 1.75 cents higher at \$2.545 and December also closed 1.75 cents higher at \$2.745. December made a new life of contract high. The lower dollar prices also are supporting the corn market and its exports. Commodity fund buying was estimated at 12,000 contracts. Ethanol futures traded on mostly bullish side, with the April contract unchanged at \$2.65 per gallon. The May contract settled 3 cents higher at \$2.62.

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

MARKETS	1.04.06	8.04.06
Delhi (Maharashtra Maize)	695-705	700-705
Maharashtra	535-545	540-545
Gujarat (Maharashtra Maize)	625-635	630-635
Sangli truck Bilty	570-575	570-580
Pune Starch	620-625	615-630
Ahmedabad Poultry feed mills	665-670	660-665
Ahmedabad Starch	650-665	645-650
Bangalore - Tamil Nadu delivery New	580-585	575-585
Nammaklall Maize	550-560	550-565
Kolkata mill delivery	640-645	615-620
Nizamabad New Maize	540-545	540-545
Devengere Local maize	500-510	505-510
Bihar (New Maize) Loose Basis	550-555	500-505

CONCLUSION

The corn prices remained almost stable in this week as compared with last week. The demand from poultry industry continued to show weak trend as bird flu. The

recent outbreak of bird flu in MP region has negatively impact on corn prices in this week in some parts. Though the most of the markets showed steady with range bound sentiment in this week except Bihar, Kolkata, Pune and Jalgaon market due to poor demand. The new maize crop has struck in Bihar, Nizamabad and Davengere market. The corn prices have declined in Bihar, Maharashtra, and West Bengal market. The other markets remained almost stable. The arrival from AP and Bihar is increasing day by day. But the over all sentiment remained stable though the demand from poultry industry remained silent where as the demand from corn industry showed relatively stable. According to the traders, the sentiment is likely to not continue this tone and would fell down due to increase in arrival from Andhra Pradesh and Bihar.

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

Corn: USDA Weekly Export Sales Highlights

According to the latest report on USDA export sales on corn; the net sales of 659,400 MT were 37 percent below the previous week and 39 percent under the prior 4-week average. Increases for Japan (349,800 MT), South Korea (105,600 MT, including 55,000 MT switched from unknown destinations), Mexico (75,600 MT), Israel (56,000 MT), Syria (33,100 MT, all switched from Egypt), and Colombia (28,500 MT) were partially offset by decreases for Egypt (33,100 MT). Optional origin sales of 55,000 MT were reported for delivery to South Korea in 2005/06. Exports of 1,189,600 MT were 33 percent above the previous week and 19 percent over the prior 4-week average. The primary destinations were Japan (375,000 MT), South Korea (175,200 MT), Mexico (170,900 MT), Taiwan (129,800 MT), Israel (80,000 MT), and Colombia (61,500 MT). (This summary is based on reports from exporters for the period March 24-30, 2006)

IGC: Supply & Demand Estimation on Maize in 2005/06

The total production estimate is up 1m. tons at 684m. tons, increases in China and India more than offsetting reductions in Brazil and South Africa. China's consumption of maize for industrial purposes – notably starch and ethanol – is much larger than previously estimated, at 21m. tons in 2005/06. Consequently the world consumption estimate is lifted 9m. tons to 685m. tons. Maize trade in 2005/06 is forecast at 75.9m. tons, 0.5m. less than in February, because of slowing purchases by Near East Asia. With reduced competition from Argentina and China, the US export forecast (year ending 31 August) is up by 1.3m. tons at 48.3m. After the change in China's consumption figures, world stocks at the end of 2005/06 are now expected to fall by 1m tons compared with last year, to 132m., including US carryover of 60.4m.

IGC: US Corn Plantings Likely to Decline

Plantings in the US are expected to be less than in 2005, as some farmers turn to soyabeans, but with improved yields production is projected higher, at 285m. tons. Better yields are also expected to result in a bigger crop in the EU, but China's output may fall slightly. Production in Argentina and South Africa (to be harvested in 2007) is expected to

increase compared with this year's poor crops, but high costs and low returns may result in a decline in Brazil. World maize production is forecast at 691m tons, 6m. more than in 2005.

FOREX RATES (8.04.06)

Country	Currency	Value in Rupees
USA	Dollar	44.63
European Union	Euro	54.48
Japan	Yen	37.91
Great Britain	Pound Sterling	78.20

TRUCK FREIGHT RATES BETWEEN VARIOUS CENTRES

City	Freight rates (RS./ton)	City	Freight rates (RS./ton)
Ahmedabad to Bangalore	2300	Kolkata to Bangalore	2560
Ahmedabad to Kolkata	3275	Delhi to Ahmedabad	867
Ahmedabad to Delhi	1888	Delhi to Bangalore	3056
Bangalore to Kolkata	2555	Delhi to Kolkata	2000
Bangalore to Delhi	3055	Karnal to Mumbai	2250
Bangalore to Ahmedabad	1830	Mumbai to Delhi	2250
Kolkata to Ahmedabad	2330	Kandla to Delhi	2200

WEATHER WATCH:

Meteorological Analysis

Under the influence of an approaching western disturbance, scattered to fairly widespread rain /snow is likely to commence over Jammu & Kashmir and Himachal

TECHNICAL ANALYSIS

Commodity: Maize

Contract: April (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

The maize futures at the NCDEX are showing a sharp bearish undertone in this week amidst speculative selling but the trading activity remained dull. The volume as well as open interest is decreasing day by day. NCDEX most active April contracts traded bearish in this week and decreased by Rs.6.50 to Rs.538.0 as compared with Rs.544.50 of last Saturday. It traded within the range of Rs.531-545 in this week.

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

Pradesh during next 24 hrs. This activity is likely to increase on 9th and 10th and extend into Uttaranchal also. Isolated to scattered rain/thundershowers may also occur over Punjab, Haryana including Delhi and north Rajasthan.

Scattered rainfall activity accompanied with isolated hailstorm/squall is likely to continue over northeastern States and Sub-Himalayan West Bengal & Sikkim during next 2-3 days.

Heat wave conditions have set in over most parts of Rajasthan, some more parts of Madhya Pradesh and some parts of East Uttar Pradesh.

NORTH-WEST INDIA: Scattered to fairly wide spread rain/snow over Jammu & Kashmir and Himachal Pradesh. Isolated rain/snow also likely over Uttaranchal from 9th. Rain/thundershowers at a few places over Punjab and Haryana including Delhi on 9th & 10th. Mainly dry weather over the rest region. Decrease in temperature over plains of northwest India from 10th.

EAST INDIA: Rain/thundershowers accompanied with isolated hail/squall are likely at a few places over West Bengal & Sikkim and isolated over Bihar and coastal Orissa. Mainly dry weather is likely over rest region.

NORTHEAST INDIA: Rain/thundershowers with isolated hail/squall at few places over Arunachal Pradesh, Assam & Meghalaya and at isolated places over the rest region.

SOUTH INDIA: Weather will be mainly dry over the region except isolated rain/ thundershowers over south Tamil Nadu and Kerala.

WEST INDIA: Weather will be mainly dry over the region except isolated rain/thundershowers are likely over north Rajasthan on 9th & 10th.

CENTRAL INDIA: Weather will be mainly dry over the region. The day temperatures in this region are likely to increase further by 1-2° C with heat wave spreading over other parts of central India.

Outlook for subsequent two days based on NCMRWF and other numerical weather products:

Rainfall/snowfall activity is likely to decrease over the Western Himalayas.

Source: IMD

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 likely to deal 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 543.9 and 548.2 marks. Support level may be seen at 531.2 and 525.5 marks as very short term as well as medium term in the coming week.

R1	R2	S1	S2
543.9	548.2	531.2	525.5

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