

Maize

MAY 1<sup>st</sup> - 6<sup>th</sup>, 2006

## MAJOR ACTIVITY HIGHLIGHTS

- DOMESTIC AND INTERNATIONAL NEWS
- TRADE ANALYSIS
- WEATHER WATCH
- DAILY PRICE CHANGES IN DOMESTIC WHOLESALE MARKETS

## TRADE ANALYSIS

The sentiment remained mixed in this week about maize market. The fresh demand from poultry industry has encouraged the prices to up at the ahead of this week. Apart from this, the new adventure of export situation of India at world market and good procuring by the government agencies provided underlying support. The sentiment remained firm in Nizamabad, Bangalore and Davengere mandis where the maize has been quoted at higher side of Rs.535-540/mtl at Nizamabad and Rs.515-520/mtl as loose basis at Davengere mandis with slight lower arrival. But the prices are quoting weak at Rs.690-700/mtl as station delivery in Delhi market with daily average arrival of 4000-6000 bags from Maharashtra and few from Bihar. In Ahmedabad, the maize prices are spiralling on weak arrival and offering at Rs.650-660/mtl to starch and poultry industry. While the sentiment remained slight weak in Bihar and Kolkata market and it is fetching Rs.480-490/mtl as loose basis at Naogachia market with average arrival of 4000-5000 bags. The overall sentiment is likely to remain bearish in the coming days.

## NCDEX FUTURES MARKET:

NCDEX maize futures fell down at the ahead of this week amidst technical correction as the market went to overbought region though the prices slightly recovered early losses afterwards. Open interest as well as volume remained steady in this week over last week. NCDEX most active May contracts traded on slight bearish side from Rs.554 to Rs.552 and touched Rs.540.5, which was lowest in this week. It traded in between Rs.540.5-552.0 in this week.

## PRICE DIVERSE:

1. Stable arrival at the spot market
2. Stable demand from starch industry as well as poultry industry
3. Export situation for Indian corn

## GLOBAL MARKET:

Chicago Board of Trade (CBOT) corn futures finished mostly higher on Friday supported by strong gains in wheat futures early in the day and by light technical and fund buying. Excellent weather for more active plantings pressured the market for much of the week but fund buyers were more active today to provide underlying support. A bounce back in metals and energy markets and a more inflationary tone to the grain markets and commodity markets in general helped to support moderate gains in corn into the mid-session. CBOT July increased 1.25 cents to \$2.405 per bushel and December soared 1.5 cents to \$2.64.

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

MARKETS	29.04.06	6.05.06
Delhi (Maharashtra Maize)	710-715	690-695
Delhi (Bihar Maize)	705-710	695-705
Maharashtra	545-550	550-555
Gujarat (Maharashtra Maize)	640-645	640-645
Sangli truck Bilty	585-590	585-590
Pune Starch	640-650	645-650
Ahmedabad Poultry feed mills	645-650	655-660
Ahmedabad Starch	635-640	640-650
Bangalore - Tamil Nadu delivery New	600-605	630-635
Nammaklal Maize	580-585	620-625
Kolkata mill delivery	600-605	580-585
Nizamabad New Maize	525-530	535-540
Devengere Local maize	510-515	520-525
Bihar (New Maize) Loose Basis	500-505	485-495

## NEWS ANALYSIS:

### DOMESTIC AND INTERNATIONAL

#### Women's Purchase Centres Procured 600 tonnes of Maize

In Andhra Pradesh, on an around 19 maize purchase centres (MPCs) being run by women in the Eluru district are doing well. The farmers are getting their remuneration within one week following selling their grains to MPCs. The procured maize is stored in AP Markfed godowns. Pedakadimi centre women's federation had procured 10 quintals since April 4. Gangannagudem women's federation had procured 4,220 quintals of maize and sent them in 22 lorries. Women's federation leaders K Nagamani and G Vijaya Kumari said 6,841 quintals were purchased since April 6. According to the DRDA Project director Ch Sridhar, the Markfed had purchased only 50,000 quintals of maize last year. This year, Markfed has come forward to purchase 3 lakh quintals. Till date, the women's federation centres procured 60,000 quintals of maize worth Rs 3.25 crore from the farmers.

#### USDA: U.S. Corn Plantings Higher than 5-Year Avg.

The corn plantings in U.S. are still 10% higher than the five-year average. According to the reports of U.S. Department of Agriculture, the planting progress for corn as of April 30th stood at 52% compared to 25% last week and 49% last year. The 16 year average planting progress for corn this time of year is 46%. Traders were looking for 45-55% complete. Traders believe that the fast pace of corn plantings opens the door for additional corn planted acres on top of intended acres in the March USDA report.

#### Corn: US Export Sales Increasing

According to the latest export sales highlights by USDA on wheat, the net sales of 1,282,200 MT were 64 percent above the previous week and 53 percent over the prior 4-week average. Major increases for Japan (562,500 MT, including 46,700 MT late reporting), Taiwan (282,400 MT), Egypt (120,000 MT), Mexico (82,500 MT, including 15,500 MT switched from unknown destinations), Indonesia (66,700 MT), Morocco (61,000 MT, including 18,000 MT switched from Algeria), and Algeria (45,500 MT, including 22,000 MT switched from unknown destinations) were partially offset by decreases for unknown destinations (88,900 MT). Exports of 1,055,100 MT were 12 percent below the previous week, but 1 percent over the prior 4-week average. The primary destinations were Japan (312,000 MT, including 46,700 MT late reporting), Mexico

(262,400 MT), Indonesia (124,700 MT), Taiwan (110,900 MT), Algeria (54,700 MT), and Peru (30,800 MT). (This summary is based on reports from exporters for the period April 21-27, 2006)

Source: FAS, USDA

#### FOREX RATES (6.05.06)

Country	Currency	Value in Rupees
USA	Dollar	44.88
European Union	Euro	56.94
Japan	Yen	39.47
Great Britain	Pound Sterling	83.07

#### WEATHER WATCH:

##### ZONE-WISE WEATHER FORECAST

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

- Isolated rains/ snowfall is likely over J&K, Himachal and isolated dust storms/ thundershower activity over Punjab, Haryana, west U.P. in coming 2-3 days.

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

- Scattered to fairly widespread rains are expected over NE States and Sub-Himalayan West Bengal. Coastal Orissa, Gangetic West Bengal, Bihar and Jharkhand may experience isolated rains during next 3-4 days.

##### CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

- Occasional Isolated thunderstorm activity is likely over Chhattisgarh, east MP and Vidarbha during next 4 days.

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

- Isolated to scattered thunderstorm activity is expected Kerala, coastal Tamilnadu, south/north interior Karnataka, Bay Islands, Lakshadweep during next 3-4 days. Isolated thunderstorm activity is expected over Telangana, coastal Andhra Pradesh and Rayalaseema.

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

- Mainly dry weather conditions are likely to prevail over the region. Isolated dust storm activity is expected in North Rajasthan in coming 2-3 days.

## TECHNICAL ANALYSIS

### Commodity: Maize

### Contract: May (Future)

### Exchange: NCDEX

### Perspective: Very Short Term (Weekly)

All of the indicators are indicating to strong ness of maize prices. MA is far below than that of price line and indicating bullish sentiment while MACD is hinting to medium term bullish ness.

The open interest as well as volume remained range bound with steady during this week as compared with previous 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 medium term for three to four days.

**Resistance and Support level:**

R1	R2	S1	S2
556.00	560.00	548.5	545.1



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