

MAIZE

19th-24th JUNE, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

TRADE ANALYSIS

Maize prices had increased in Bihar in this week to Rs.470-475/mtl at Naogachia mandis due to weakness in arrival and strong outside demand but traded steady at the previous level at this weekend amidst increasing in arrival. Therefore the maize quoted at Rs.470-475/mtl as loose basis with average inflow of 4000-5000 bags at this mandis. The total average arrival was reported around 25000-35000 bags. The Bihar maize is supplying to West Bengal, Delhi, Punjab, Haryana and other region. However the higher truck freight rate and weak arrival pushed up the maize prices at Kolkata mandis and registered at Rs.590-595/mtl. The sentiment is prevailing steady in Delhi in this week and godown delivery was at Rs. 675-680/mtl for Bihar maize while Andhra Pradesh maize is quoting at Rs.742/mtl for station delivery in Delhi. However the sentiment remained firm at Bangalore and Nammakal mandis. Where the maize is offered at Rs.670-672/mtl at Bangalore mandis and Rs.695-700/mtl at Nammakal mandis. The maize prices have soared at Andhra Pradesh mandis in this week where the prices increased by Rs.25-35/mtl due to short of arrival and good demand. The sentiment observed firm at Gujarat mandis on strong demand from poultry and starch industry with short of arrival. Poultry feed mill offered the rate of Rs.745-750/mtl and starch industry offered for Rs.715-720/mtl.

NCDEX FUTURES MARKET:

NCDEX maize futures continued to trade range bound this week though the prices remained weak as against of last week. The strong prices movement at the spot market kept pressure on futures market. The market has been reached to over bought region therefore the lack of fresh buying interest slightly pulled down the prices at this weekend. Most active July contract traded slight down at Rs.606.50 in this week from Rs.615.00 and made Rs.591, which was lowest in this week and traded in between Rs.591-619 in this week.

PRICE DIVERSE:

1. Arrival is increasing in Bihar at present
2. Significant demand from the poultry and starch industry
3. Government did not release maize
4. Short of arrival in the South India

GLOBAL MARKET:

Corn futures at the Chicago Board of Trade (CBOT) extended previous losses on Friday, making new lows near the close amidst speculative selling. CBOT July corn slipped 2.25 cents at \$2.283 per bushel and the December contract decreased 1.75 cents to \$2.553. Light speculative and fund selling kept the market on the defensive for most of the day. The market continued to experience long liquidation selling from fund traders due to bearish weather forecasts. December corn closed 6 cents lower on the week. Ethanol futures traded bearish in moderate trading activity. The July contract tumbled down 10 cents to \$3.83 per gallon with the August contract declined 15 cents to \$3.08.

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

MARKETS	17.06.06	24.06.06
Delhi (A.P. Maize)	-	740-742
Delhi (Bihar Maize)	677-680	670-675
Sangli truck Bilty	640-660	660-665
Pune Starch	715-720	710-715
Ahmedabad Poultry feed mills	735-740	755-765
Ahmedabad Starch	710-715	720-730
Bangalore	665-670	670-675
Nammakal Maize	690-695	705-710
Kolkata mill delivery	580-585	590-595
Nizamabad New Maize	597-600	620-625
Davengere Local maize	585-590	595-600
Bihar (New Maize) Loose Basis	460-465	465-470

NEWS ANALYSIS:

DOMESTIC AND INTERNATIONAL

U.S. Exporting Corn to Japan and Unknown Destination

Private exporters reported to the U.S. Department of Agriculture the following activity: -- Export sales of 203,200 metric tons of corn for delivery to Japan. Of the total, 101,600 tons is for delivery during the 2005/2006 marketing year and 101,600 tons is for delivery during the 2006/2007 marketing year; and -- Export sales of 116,000 tons of corn for delivery to unknown destinations. Of the total, 58,000 tons is for delivery during the 2005/2006 marketing year and 58,000 tons is for delivery during the 2006/2007 marketing year.

RSGBL Likely to Invest on a New Project of Maize

Riddhi Siddhi Gluco Biols Limited (RSGBL), which is the largest producer of starch and derivatives in India. RSGBL recently crystallized capex plans for over Rs.120 crores in financial year 2007 to upgrade its existing plants and invest in a new project for the maize processing complex coming up in Pant Nagar, Uttaranchal. This new plant will have the capacity to process 1,65,000 tonnes of maize per annum.

S.Africa Decrease Corn Estimate to 5.998 MMT

According to the South Africa's National Crop Estimates Committee, the estimated corn production in 2005-06 cut by 5,000 metric tons to 5.998 million metric tons (MMT) from 6.003 MMT in May. In its fifth estimate for the season, white corn output estimate unchanged at 3.62 million tons, however cut its yellow corn estimate by 5,000 tons to 2.38 MMT. The corn plantings gets reduced to around 1.57 million hectares from 2.81 million hectares of the previous season; South Africa's 2005-06 corn crop is expected to be one of the smallest on record and sharply lower than the 11.45 million tons produced in the 2004-05 season. The lower corn planting this season is mainly due to the strength of the rand against the dollar and a large stock overhang from last season.

USDA: US Private Corn Export Sales Remains at 110,000 MT

According to the U.S. Department of Agriculture announcement, the private export sales of 110,000 metric tons of U.S. corn for delivery to unknown destinations in the 2005-06 marketing year. The corn-marketing year began Sept. 1. U.S. exporters are necessary to report to the USDA sales of 100,000 tons or more of corn made in the same day to the same destination by 3 p.m. EDT (1900 GMT) the next business day, according to the USDA. They also announced Tuesday private export sales of 126,000 metric tons of U.S. corn for delivery to Mexico in the 2006-07 marketing year.

USDA: US Corn Weekly Export Sales Witnesses Strong

Net sales of 1,575,300 MT were 8 percent above the previous week and 36 percent over the prior 4-week average. Major increases were reported for South Korea (379,200 MT, including 55,000 MT switched from unknown destinations), Japan (314,500 MT), Taiwan (208,800 MT,

including 60,000 MT switched from unknown destinations), Mexico (187,000 MT), Colombia (110,700 MT), unknown destinations (85,900 MT), and Guatemala (69,600 MT, including 24,000 MT switched from El Salvador). Decreases were reported for Egypt (55,700 MT) and El Salvador (39,900 MT). Net sales of 240,600 MT for delivery in 2006/07 were primarily for Japan (134,100 MT) and Canada (80,500 MT). Exports of 1,283,800 MT were 13 percent above the previous week and 2 percent over the prior 4-week average. The primary destinations were Japan (287,400 MT), Mexico (164,900 MT), Taiwan (119,700 MT), South Korea (115,500 MT), Colombia (89,200 MT), Israel (66,000 MT), and Egypt (64,300 MT). (This summary is based on reports from exporters for the period June 9-15, 2006)

Source: USDA

SUMMARY PROGRESS OF KHARIF MAIZE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 19.06.06)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
60	7.98	8.76	-0.78	HP (-1.0, -31.1), UP (-0.4, -35.5), WB (+0.3, 71.4)

Source: Ministry of Agriculture, GOI

WEATHER WATCH:

PROGRESS OF SOUTHWEST MONSOON

During this week, there was no further advancement of monsoon. However, southwest monsoon revived on 20th with increase in the rainfall activity over south peninsula.

OUTLOOK FOR THE WEEK ENDING ON 28th JUNE 2006.

1. Conditions are favourable for further advance of the southwest monsoon into remaining parts of Maharashtra and adjoining areas during 1st half of the week.
2. Prediction from numerical models suggest formation of a low pressure area over westcentral & adjoining northwest Bay of Bengal towards end of the week leading to increase in rainfall activity over eastern parts of the country.
3. Enhanced rainfall activity with scattered heavy to very heavy falls is likely along the west coast and over northeastern states.
4. Scattered to fairly widespread rainfall activity likely over interior Peninsula and east India and adjoining central India.
5. Isolated rain/thunderstorms accompanied with squall also likely over northwest India.

TECHNICAL ANALYSIS

Commodity: Maize

Contract: JULY (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

NCDEX most active July contract traded slight down at Rs.606.50 in this week from Rs.615.00 and made Rs.591, which was lowest in this week and traded in between Rs.591-619 in this week.

Technical: RSI, Stochastic indicators are clearly indicating to downward ness of maize prices while prices closed in between 9-days MA and 18-days MA indicating to range bound manner. MACD is hinting to downward movement of maize futures and remained in positive territory. The open interest as well as volume remained steady to up during this week as compared with last week.

Outlook: The prices are expected to remain range bound to up for coming two to four days and remain slight down at the later days in the coming week.

Recommendation: Go for long position at dip level as medium term for two to three days.



Resistance and Support level:

Contract Month	Resistance 1	Resistance 2	Support 1	Support 2
JULY Contracts	615.50	625.60	600.70	596.40

FOREX RATES (As on 23rd JUNE, 2006)

Country	Currency	Value in Rupees
USA	Dollar	46.20
European Union	Euro	58.12
Japan	100 Yen	39.86
Great Britain	Pound Sterling	84.57

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