

MAIZE

26th JUNE-3rd JULY, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

TRADE ANALYSIS

Maize prices slightly increased in the week starting 26th June, 2006 in the Bihar and remained in the range of Rs. 460-470/mtl at Naogachia mandis as some demand was seen in the domestic markets. The average arrival ranged between 15000-20000 bags. The traders expect more arrival in the next week. The present sentiments will continue and much variation is not expected in prices. Bihar has been a major supplier of maize to the various parts of the country. At the Kolkata mandis arrival of good quality maize is not there consequently demand is also poor. The prices in the Kolkata mandis hovered in the range of Rs. 585-600/mtl. The Delhi market witnessed weak price movement for Bihar maize and it was quoted between Rs. 650-655/mtl as the arrivals were more and the demand was not sufficient to offset it. In Andhra Pradesh supply is not sufficient to meet the demand. Here the new maize was quoted between Rs. 620-630/mtl. The sentiments at the Bangalore and Nammakal mandis remained firm and the maize was offered at Rs. 675-690/mtl at Bangalore and Rs. 690-720/mtl at the Nammakal mandis. Stable sentiments were observed at the Gujarat mandis as the rain affected the trade and lacklustre demand and supply was observed. Poultry feed mill offered the rate of Rs.725-750/mtl and starch industry offered for Rs.690-705/mtl.

NCDEX FUTURES MARKET:

NCDEX maize futures witnessed weak sentiments at the end of this week following volatile trading during the week under review as prices, volume and open interest declined. However, the prices recovered on Thursday and Friday but again fell down on selling pressure after that. The lacklustre trade at the spot market have also affected the sentiments of the futures market. The most active July contract traded weak at Rs.587 from Rs.603.50 and hovered in the range of Rs.576-607 in this week.

PRICE DIVERSE:

1. More arrivals at the Bihar
2. Increased demand by the starch and poultry industry
3. Wait for FCI announcement
4. Supply shortage in the southern states

GLOBAL MARKET:

Corn futures at the Chicago Board of Trade (CBOT) settled up on Monday amidst speculative buying. December Corn finished up 8.25 cents at \$2.685, 1.5 cents off the high and 6.5 cents up from the low. September Corn closed up 7.5 cents at \$2.535. This was 5.75 cents up from the low and 1 cents off the high. December corn traded to its highest level since June 14th and closed near the highs of the day, as a threatening weather forecast for the western Corn Belt going into pollination helped to trigger increased speculative buying support. This past weekend's weather was drier than expected and the forecast into next week still shows a hot and dry ridging pattern over the eastern plains and western Corn Belt into next week. Demand factors remain very strong for US corn and the focus of attention should remain on the weather.

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

MARKETS	24.06.06	27.06.06
Delhi (A.P. Maize)	740-742	735-740
Delhi (Bihar Maize)	670-675	650-655
Sangli truck Bilty	660-665	670-675
Pune Starch	710-715	700-705
Ahmedabad Poultry feed mills	755-765	725-735
Ahmedabad Starch	720-730	690-700
Bangalore	670-675	680-690
Nammakal Maize	705-710	700-705
Kolkata mill delivery	590-595	580-585
Nizamabad New Maize	620-625	590-600
Davengere Local maize	595-600	590-600
Bihar (New Maize) Loose Basis	465-470	500-505

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.

Ukraine Contracted 2,31 MMT of Maize for Export

TECHNICAL ANALYSIS

Commodity: Maize

Contract: JULY (Future)

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

The most active NCDEX July contract traded weak at Rs.587 on Monday from Rs.603.50 on last Monday and hovered in the range of Rs.576-607 in this week

Technical: Candlesticks, RSI, Stochastic indicators are clearly indicating to downward ness of maize prices and prices closed far below than 9-days MA and 18-days MA indicating to further downward price movement. MACD is hinting to downward movement of maize futures and remained in negative territory. The open interest as well as

As of the 23rd of June, 2,31 million tonnes of maize (MMT) (crop 2005) are contracted for export at the Ukrainian exchanges, informs Ukrainian Agriculture Exchanges Union. In the current week, the weighted average exchange price for the 3rd class maize totaled \$119.5 per tonne on DAF basis (spot contracts) in Ukraine. According to the APK-Inform analysts, on results of 2005/06 MY (October-September) Ukrainian maize export can exceed 2.8 million tonnes against 2.34 million tonnes last season.

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
	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:

Outlook for the week ending on 5th July, 2006.

1. The monsoon flow over Arabian sea and Bay of Bengal is likely to remain strong during the week leading to its further advance into north Gujarat, south Rajasthan, most parts of central India, Uttar Pradesh, Uttaranchal, Himachal Pradesh, Jammu & Kashmir and adjoining parts of Punjab & Haryana during first 2-3 days of the week. Monsoon may cover most parts of the country including Delhi during the later half of the week.
2. The upper air cyclonic circulation which has formed over west-central Bay of Bengal is likely to descend to lower levels and result in the formation of a low pressure area over northwest and adjoining west-central Bay of Bengal during next 2 days. Subsequently the system may concentrate into a depression. Under its influence, fairly widespread rains with isolated heavy to very heavy falls are likely over Gangetic West Bengal, Orissa, Jharkhand and north Coastal Andhra Pradesh during 1st half of the week. As the system is likely to move west-northwestwards across central India during rest of the week, the rainfall activity over central India, Maharashtra and Telangana is likely to be fairly widespread with isolated heavy to very heavy falls.

volume remained steady to up during this week as compared with last week.

Outlook: The prices are expected to remain down for coming two to four days and might be remain bullish after that in the coming week.

Recommendation: Go for long position at dip level as medium term for five to six days.



Resistance and Support level:

Contract Month	Resistance 1	Resistance 2	Support 1	Support 2
JULY Contacts	601.50	607.30	578.70	571.40

FOREX RATES (As on 3rd JULY, 2006)

Country	Currency	Value in Rupees
USA	Dollar	45.98
European Union	Euro	58.76
Japan	100 Yen	40.16
Great Britain	Pound Sterling	84.95

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