

MAIZE DAILY

28th MAY, 2007

SPOT MARKETS:

Maize spot market prices remained mostly stable on the scenario of continuous fresh arrivals of rabi crops from Bihar. Higher arrivals amidst lower buying support are mainly underpinning the market sentiments. Most of the big units have covered their stocks for the use of coming month. However, demands from poultry industries are lower because of seasonal factors. In summer the consumption of egg generally declined. The talk of bird flu in West Bengal has reportedly reappeared, that limited some of the market activities. At Delhi, the maize trades flat at Rs.775/qlt. on lower arrivals through motors. The unloading of rakes is still not reported due to labour strikes. Poultry industries of Haryana and Gurgaon are preferring bajra. Bajra prices quoted around Rs.695-700/qlt. Fresh arrivals have declined sharply in A.P. and Karnataka mandis. Traders reported that the 80% of rabi crops has been sold from A.P. Farmers are unwilling to release their full stocks at present price. No major change is expecting in maize prices in the coming days because of continuous arrivals, though some recovery is likely as rabi harvesting ends.

FUTURES MARKETS:

Maize futures at NCDEX traded with firm tone following a mix opening. Increased buying interest has supported the futures. The most active June contract open weak at Rs.728 a qtl as against the previous closing of Rs.729 per qtl. The contract tested low at Rs.727.5/qlt. The prices finally settled up by 0.48% at Rs.732.5/qlt. The volumes as well as Open Interest have improved marginally during the session.

PRICE DRIVERS:

Bullish:

1. Maize output this year is estimated ldown against last year
2. Govt. increased the MSP of maize by Rs 80 to Rs 620/qlt.

Bearish:

1. The fresh rabi crops arrivals are continued in Bihar
2. Rabi maize production likely to be 2.85 Mln. Tonnes as against 2.55 Mln Tonnes last year 3rd advance estimate)

WEATHER:

Rainfall in the maturity stage is not conducive for the qualitative terms of the grains.

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	25.05.07	26.05.07	Change
Delhi	Red Maize Bihar	775	775	-
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	740	740	-
Devengere (Bilty)	Red Maize	740	740	-
Bihar (Loose)	Red Maize	570-575	570-575	-
Ahmedabad	Poultry feed mills	780	775	-5
Ahmedabad	Starch	780	775	-5
Pune	Starch Quality	780-785	780	-5

TECHNICALS:

Candlestick pattern indicates some buying interest in the markets. Price remains just below the EMAs, while MACD is moving upward following a bullish crossover. Stochastic has also made bullish crossover, indicating some bullishness in short and medium terms. RSI are in neutral region and moving northwards. Maize futures are expected to trade with bullish sentiments.

NCDEX Maize July Contract

O 729.00 H 732.50 L 727.50 C 732.50 V 1,520 I 13,820 +2.5

EMA(9) 733.18 (18) 738.52



SUPPORT / RESISTANCES:

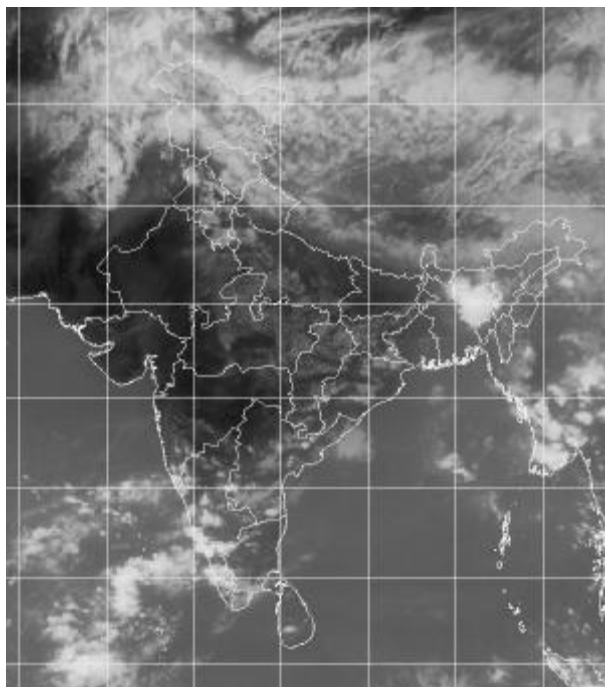
Month	S2	S1	PCP	R1	R2
June	720	724	732.5	746	752

RECOMMENDATION:

BUY NCDEX-June above 730 with target towards 740 second target near 745. Put stop loss near 725.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (25.05.07)



Monsoon watch

- ✓ The predictors for this year suggest an early monsoon onset over Kerala. The forecast Model Suggests that the monsoon onset over Kerala is likely to be on 24th May 2007 with a model error of ± 3 days.

Chief Features (25.05.07)

- ✓ Under the influence of a persistent western disturbance, scattered to fairly widespread rain/thundershowers are likely over Jammu & Kashmir during next 3-4 days. Isolated to scattered duststorm/ thunderstorm accompanied with squall is also likely over plains of northwest India, adjoining Himachal Pradesh, Uttarakhand and Rajasthan during the same period. Numerical weather prediction models suggest that light to moderate scattered rain/thundershowers are likely over south Peninsula during next 3-4 days with possibility of some increase in activity along southern part of west coast from tomorrow. Fairly widespread rainfall with isolated heavy falls are likely over northeastern states during next 2-3 days.

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely over Gangetic West Bengal, Rajasthan, Punjab, Haryana, Chandigarh, Delhi, Himachal Pradesh and Uttarakhand. Isolated heavy rainfall is likely over northeastern States.

Outlook for subsequent two days (Based on numerical weather products):

- ✓ Scattered rain/ thundershower activity likely to continue over Peninsula & northeastern States and isolated over northwest India.

Source: IMD (GOI)

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