

## MAIZE DAILY

26<sup>th</sup> MAY, 2007

### SPOT MARKETS:

Maize spot market prices remained mostly steady to marginally up in major domestic markets on the scenario of continuous fresh arrivals of rabi crops from Bihar. At Delhi, the maize trades marginally up by Rs.10/qlt at Rs.775/qlt. on lower arrivals through motors. The unloading of rakes is still not reported due to labour strikes. Firmness in bajra prices also added some tight sentiments of maize. 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. Maize prices remained steady in Maharashtra and Ahmedabad mandis on lower demand. Ahmedabad mandis are witnessing continuous arrivals from Maharashtra.. 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, as the total production for 2006-07 is estimated down at 13.85 million tonnes and demand at 14 million tonnes.

### FUTURES MARKETS:

Maize futures at NCDEX traded with weak inclination following a firm opening. Increased selling interest at higher levels pressurised the futures. The most active June contract open firm at Rs.732 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 down by 0.14% at Rs.730/qlt. The volumes as well as Open Interest have declined during the session.

### PRICE DRIVERS:

#### Bullish:

1. Maize output this year is estimated down 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 3<sup>rd</sup> 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	24.05.07	25.05.07	Change
Delhi	Red Maize Bihar	765	775	+10
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	735-740	740	-
Devengere (Bilty)	Red Maize	740	740	-
Bihar (Loose)	Red Maize	565-570	570-575	+5
Ahmedabad	Poultry feed mills	780	780	-
Ahmedabad	Starch	780	780	-
Pune	Starch Quality	785	780-785	-

### TECHNICALS:

Candlestick pattern indicates some indecision market sentiments. Bears dominated the markets. Price remain below the EMAs, while MACD is flat and directionless. Stochastic and RSI are gradually dipping in neutral region. Maize futures are expected to trade volatile with a bearish inclination. Selling on rallies appears a good strategy

#### NCDEX Maize July Contract

O 732.00 H 734.50 L 727.50 C 730.00 V 1,180 I 13,740 +1

EMA(9) 733.03 (18) 739.02



### SUPPORT / RESISTANCES:

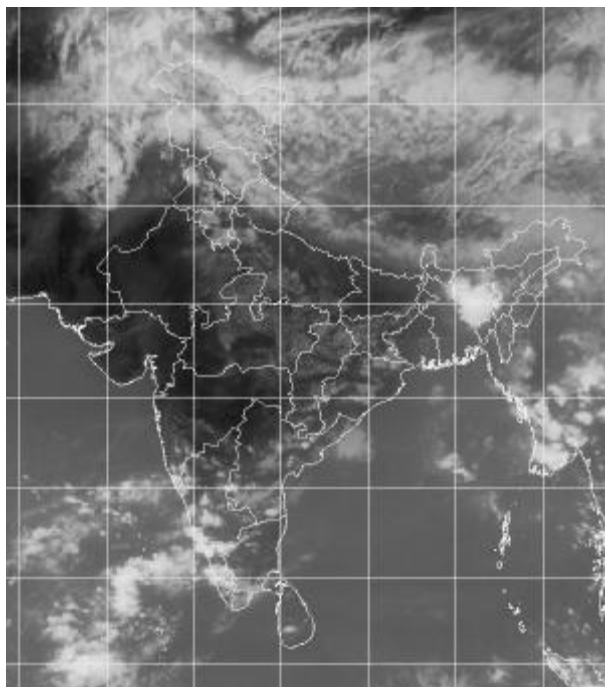
Month	S2	S1	PCP	R1	R2
June	715	720	730	738	741

### RECOMMENDATION:

**SELL** NCDEX-June below 733 with target towards 725 second target near 720. Put stop loss near 738.

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  $\pm 3$  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 have occurred over northeastern states during past 24 hrs. Similar activity is likely to continue for next 2-3 days. As predicted, heat wave conditions have abated over Coastal Andhra Pradesh. The Highest maximum temperature of 44.0°C was recorded over Chandrapura in Maharashtra during past 24 hrs.

### 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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