

MAIZE DAILY

29th MAY, 2007

SPOT MARKETS:

Maize spot market prices continued stable on continuous fresh arrivals of rabi crops from Bihar amidst lower buying support. Most of the big units have reportedly covered their stocks for the use of coming month. At Delhi, the maize trades steady to down at Rs.770-775/ql. on the back of arrivals around 5-6 motors. However, stock position is good because of rake arrivals. However, labour strikes have limited the unloading at Delhi station. Demands from poultry industries are lower because of seasonal factors. Moreover, poultry industries of Haryana and Gurgaon are preferring bajra. Bajra prices quoted down around Rs.690/ql. on higher arrivals from U.P. Maize traded flat at Rs.570-575/ql at Naugachia mandi on the back of arrivals of around 2000-4000 bags. Total arrivals are reported around 15,000-20,000 bags from all over Bihar. Rainfalls has limited arrivals and has increased moisture content of fresh crops. The talk of bird flu in West Bengal has reportedly reappeared, that limited some demand from the state. 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.

FUTURES MARKETS:

Maize futures at NCDEX traded with range bound tone following a mix opening. Increased selling interest has pressurised the futures. The most active June contract open weak at Rs.731 a qtl as against the previous closing of Rs.732 per qtl. The contract tested low at Rs.728/ql. The prices finally settled in blue at Rs.732/ql. 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/ql.

Bearish:

1. The fresh rabi crops arrivals are continued in Bihar
2. Rabi maize production likely to be higher around 2.85 MT
3. Bearish outlook of bajra on higher arrivals in coming days

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	26.05.07	28.05.07	Change
Delhi	Red Maize Bihar	775	770-775	-
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	775	775	-
Ahmedabad	Starch	775	775	-
Pune	Starch Quality	780	780	-

TECHNICALS:

A doji candlestick has formed, showing some indecisive market sentiments. However, bears dominated the markets at higher levels. Price close below EMA's, indicating weakness may continue in short and medium terms. MACD is in negative zone and slightly improving. RSI is moving down in neutral region while Stochastic has made bullish crossover. Maize futures are expected to trade with bearish inclination.

NCDEX Maize July Contract

O 731.00 H 734.50 L 728.00 C 732.00 V 1,740/113,840 -0.5

EMA(9) 732.61 (18) 737.58



SUPPORT / RESISTANCES:

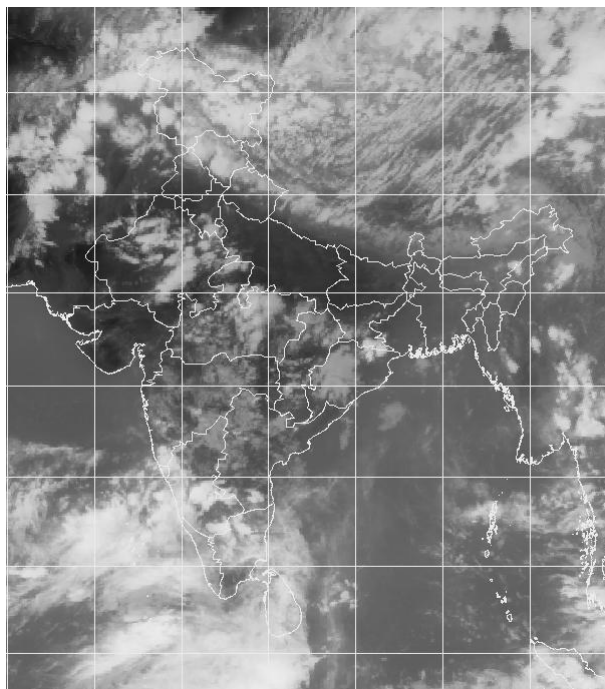
Month	S2	S1	PCP	R1	R2
June	720	715	732	738	742

RECOMMENDATION:

SELL NCDEX-June below 734 with target towards 724 second target near 720. Put stop loss near 739.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (28.05.07)



Monsoon watch

- ✓ Southwest monsoon has set in over Kerala today, the 28th May 2007. It has covered some parts of south Arabian Sea, entire Kerala, extreme southern parts of Tamil Nadu and some more parts of south Bay of Bengal. The northern limit of monsoon passes through Lat. 12° N / Long. 60° E, Lat. 12° N / Long. 70° E, Kannur, Palakkad, Kanyakumari, Lat. 8° N / Long. 79°, Lat. 9° N / Long. 83°, Lat. 13° N / Long. 90° E, Lat. 15° N / Long. 92° E, and Lat. 17° N / Long. 95° E. Chief amounts of rainfall (4 cm and above) over Kerala and Lakshadweep during past 24 hours are: Alappuzha-11, Kozhikode-10, Thiruvananthapuram-9, Kottayam-8, Karipur-6, Kannur-4 and Agathi-4. Conditions are favourable for further advance of southwest monsoon over some more parts of south Arabian Sea, some parts of coastal and south interior Karnataka, some more parts of Tamil Nadu and south Bay of Bengal.

Chief Features (28.05.07)

- ✓ Under the influence of strong southwesterly current and an offshore trough extending from Karnataka coast to Kerala coast, widespread rainfall with isolated heavy to very heavy falls are likely to continue over Kerala during next 48 hours. The ongoing rainfall activity over coastal and south interior Karnataka and Tamil Nadu are likely to enhance during the same period. Under the influence of persistent western disturbance, scattered light rain/thundershowers are likely over northwest India till tomorrow and decrease thereafter. The Highest maximum temperature of 44.7°C was recorded at Jamshedpur in Jharkhand during past 24 hrs.

Warning (for next 48 hrs.)

- ✓ Isolated heavy to very heavy rainfall is likely over Kerala, Lakshadweep Islands and Coastal Karnataka. Isolated heavy rainfall is likely over northeastern States. Isolated thunder squall is likely over northwest India, Orissa and Gangetic West Bengal.

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

- ✓ Scattered to fairly widespread rain/thundershower activity is likely over south Peninsular India. Rise in day temperature over northwest India.

Source: IMD (GOI)

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