

MAIZE DAILY

25th MAY, 2007

SPOT MARKETS:

Maize spot market prices remained mostly steady to down in major domestic markets on the scenario of continuous fresh arrivals of rabi crops from Bihar amidst lower buying support. However, in Delhi, the maize trades marginally up by Rs.5/qlt at Rs.765/qlt. Stock position is good in the mandis due to continuous rakes arrivals from Bihar. Around 7 rakes of maize already arrived at Delhi mandis. Of them two rakes have arrived on Thursday but labour strike has restricted the unloading. Some buying support is reported from poultry industries of Haryana. However, poultry industries of U.P. are preferring bajra. Bajra prices quoted around Rs.695/qlt. Fresh arrivals have declined sharply in A.P. and Karnataka mandis. Farmers are unwilling to release their full stocks at present price. Maize prices decline further in Maharashtra and Ahmedabad mandis on lower demand. Ahmedabad mandis are witnessing continuous arrivals from Maharashtra. Traders are expecting some recovery in prices in coming fortnight because of decreasing arrivals in Bihar. Maize traded steady at Rs.565-570/qlt at Naugachia mandi on the back of arrivals of around 3000 bags.

FUTURES MARKETS:

Maize futures at NCDEX traded with firm inclination initially following a mix opening. However, some selling interest at higher levels pressurised the futures. The most active June contract open firm at Rs.728 a qtl as against the previous closing of Rs.727 per qtl. The contract tested high at Rs.734/qlt. The prices finally settled up by 0.28% at Rs.729/qlt. The volumes as well as Open Interest has 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 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 | 23.05.07 | 24.05.07 | Change |
|-----------------------|--------------------|----------|----------|--------|
| Delhi | Red Maize Bihar | 760 | 765 | +5 |
| Delhi | U.P. Gajar Maize | - | - | - |
| Nizamabad (Bilty) New | Red Maize | 735-740 | 735-740 | - |
| Devengere (Bilty) | Red Maize | 740 | 740 | - |
| Bihar (Loose) | Red Maize | 565-570 | 565-570 | - |
| Ahmedabad | Poultry feed mills | 800-805 | 780 | -25 |
| Ahmedabad | Starch | 800 | 780 | -20 |
| Pune | Starch Quality | 800 | 785 | -15 |

TECHNICALS:

A bullish candlestick with long upper shadow has formed, which indicates sellers dominated the market at higher price levels. Price closed below the EMAs, showing weak tone. Stochastic is in normal region and moving downwards. RSI are flattening in neutral region. Only the MACD shows signs of strengthening. Maize is expected to trade volatile with a weak inclination.

NCDEX Maize July Contract

O 727.00 H 734.00 L 726.00 C 729.00 V 2,570 I 14,080 -0.5

EMA(9) 734.19 (18) 740.32



SUPPORT / RESISTANCES:

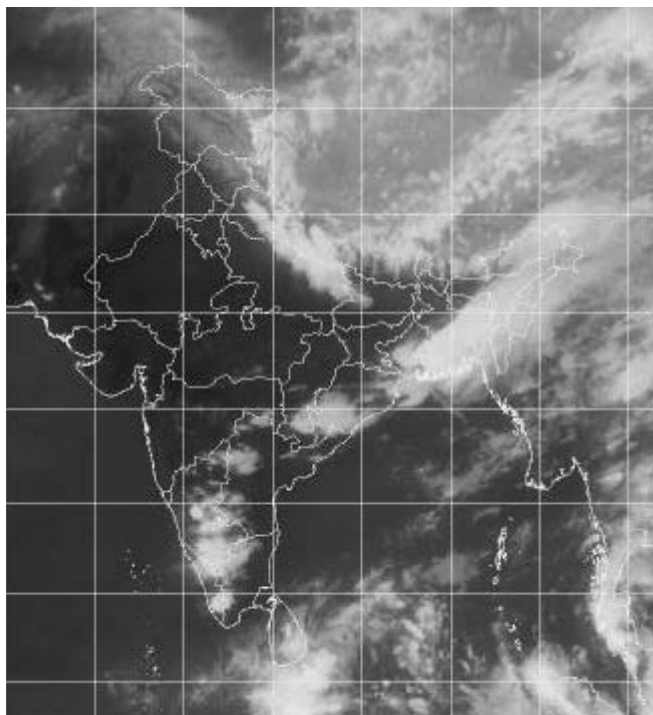
| Month | S2 | S1 | PCP | R1 | R2 |
|-------|-----|-----|-----|-----|-----|
| June | 712 | 716 | 729 | 730 | 734 |

RECOMMENDATION:

SELL NCDEX-June below 726 with target towards 718 second target near 715. Put stop loss near 731.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (24.05.07)



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 (24.05.07)

- ✓ Fairly widespread rainfall with isolated heavy to very heavy falls have occurred over Assam & Meghalaya and Arunachal Pradesh during past 24 hours. Chief amounts of rainfall (cm) are: Cherrapunji-53, North Lakhimpur-10, Passighat-9, Silchar-5. The current meteorological analysis suggest fairly widespread rainfall is likely over northeastern States during next 24 hours and scattered thereafter. The prevailing meteorological conditions indicate rise in day temperature over the plains of northwest India during next 48 hours and fall thereafter. The heat wave conditions continued to prevail over parts of Coastal Andhra Pradesh. They are likely to abate during next 1-2 days. Highest maximum temperature of 45.0°C was recorded at Vijayawada (Andhra Pradesh) during past 24 hrs.

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely Bihar, Jharkhand, Orissa, West Bengal & Sikkim.

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

- ✓ Scattered rainfall activity over northeastern States.
- ✓ Increase in rainfall activity along west coast.

Source: IMD (GOI)

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