

MAIZE DAILY

31st MAY, 2007

SPOT MARKETS:

Maize spot market remained stable in major domestic markets. Continuous arrivals amidst small number of buyers are mainly underpinning the tone. At Delhi, the maize trades steady to between Rs.770-775/mtl. on the back of arrivals around 3-4 motors. The market activities are very thin. However, stock position is good because of 5 rakes already unloaded earlier of this month. Demands from poultry industries are lower because of seasonal factors. Further, poultry industries of Haryana and Gurgaon are preferring bajra that quoted down around Rs.675-680/mtl. because of higher arrivals from U.P. Maize trades flat at Rs.560/mtl at Naugachia mandi on the back of arrivals of around 4000 bags. Total arrivals are reported around 20,000-25,000 bags from all over Bihar. Rake loading are continued towards the destination of Punjab, Haryana and Ahmedabad. However, the deals were finalised before. No fresh deals are coming from buyers. Most of the big units are reportedly covered their stocks for at least the next two months. According to trade sources, about 60-65% of fresh crops are still in the state. The demand from West Bengal particularly from Siliguri is very lower. Unless the fresh demand comes from poultry and starch industries, the prices are not likely to go much higher.

FUTURES MARKETS:

Maize futures at NCDEX traded with slightly weak tone following a mix opening. Increased selling interest at higher level has pressurised the futures. The most active June contract open marginally firm at Rs.734.5 a qtl as against the previous closing of Rs.734 per qtl. The contract tested low at Rs.732/qtl. The prices finally settled in blue at Rs.734/qtl. 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/qtl.

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

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	29.05.07	30.05.07	Change
Delhi	Red Maize Bihar	770-775	770-775	-
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	725	725	-
Devengere (Bilty)	Red Maize	725	725	-
Bihar (Loose)	Red Maize	560	560	-
Ahmedabad	Poultry feed mills	760	755	-5
Ahmedabad	Starch	750	750	-
Pune	Starch Quality	770	740-750	-20

TECHNICALS:

Candlesticks are showing thin activity in the markets. Price closed above 9 days EMA but below the 18-day EMA. MACD is rising in negative zone. The RSI as well as Stochastic are moving up in neutral region, which favours the bulls. Maize futures are expected to trade with bullish inclination.

NCDEX Maize July Contract

O 734.50 H 735.00 L 732.00 C 734.00 V 750113,870 0

EMA(9) 733.11 (18) 736.87



SUPPORT / RESISTANCES:

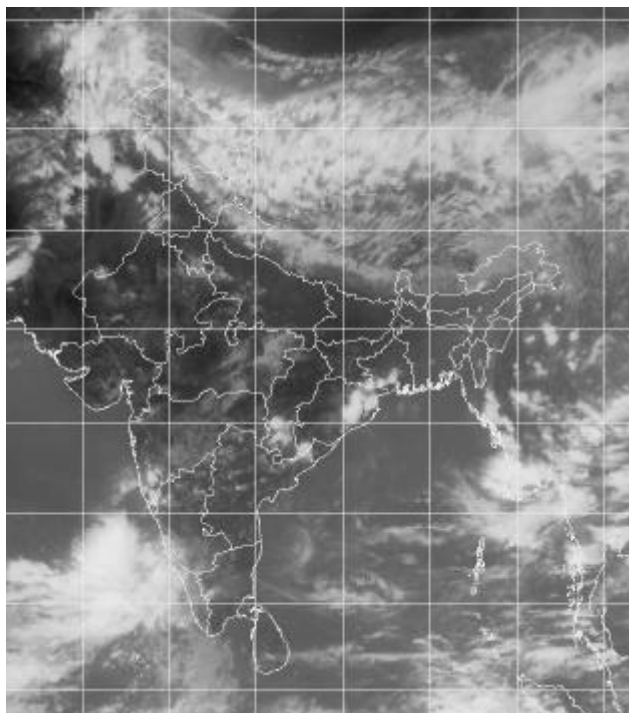
Month	S2	S1	PCP	R1	R2
June	727	730	734	746	750

RECOMMENDATION:

BUY NCDEX-June above 737 with target towards 743 second target near 746. Put stop loss near 733.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (30.05.07)



Monsoon watch

- ✓ Southwest monsoon has further advanced into some parts of central Arabian Sea, most parts of coastal Karnataka, some parts of South Interior Karnataka and some more parts of Tamil Nadu and south Bay of Bengal. The northern limit of monsoon passes through Lat. 14° N / Long. 60° E, Lat. 14° N / Long. 70° E, Karwar, Chitradurg, Pamban, Lat. 10° N / Long. 85°, Lat. 13° N / Long. 90° E, Lat. 15° N / Long. 92° E, and Lat. 17° N / Long. 95° E. Chief amounts of rainfall (1 cm and above) over south Peninsula during past 24 hours are: Karwar-9, Honavar-8, Arogyavaram, Karipur -5, Alpuza, Cannur, Cochin & Ramagundam-3 each, Kozikode, Cochin (A/P) & Kurnool-2 each. Conditions are favourable for further advance of southwest monsoon into some parts of Konkan & Goa and some more parts of Interior Karnataka and Tamil Nadu during next 48 hours.

Chief Features (30.05.07)

- ✓ Under the influence of an off-shore trough extending from Karnataka coast to Kerala coast. Scattered to fairly wide spread rainfall is likely to continue over Kerala, Coastal Karnataka and Lakshadweep during next 2-3 days. Chief amounts of rainfall (cm) during past 24 hours are: Amritsar, Kannur & North Lakhimpur-6 each, Kochi-4, Long Islands & Kozhikode-3 each, Karipur-2. The western disturbance over Jammu & Kashmir is moving away eastwards. Decreased activity with only isolated rain/thundershowers is likely over Western Himalayan region and adjoining plains of northwest India during next 2-3 days.

Warning (for next 48 hrs.)

- ✓ Isolated heavy rainfall is likely over Coastal Karnataka, Kerala and Lakshadweep Islands. Isolated thunder squall is likely over northwest India, Orissa and West Bengal & Sikkim.

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

- ✓ Increase in rainfall activity along west coast from 3rd onwards.

Source: IMD (GOI)

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