

MAIZE DAILY

01st June, 2007

SPOT MARKETS:

Maize spot market sentiments remain bearish on continuous arrivals of fresh crops amidst lower buying support. At Delhi maize prices declined further by Rs.15/qlt at Rs.760/qlt. on higher arrivals on rakes. Two fresh rakes have arrived in the mandis along with 4-5 motors daily arrivals.. Therefore, stock position is good in the scenario of lower demand from poultry industries. Moreover, lower prices of bajra are also adding underlying bearish tone. Bajra price is likely to decline further on higher arrivals in the coming days. Maize trades down at Rs.550/qlt at Naugachia mandi on the back of arrivals of around 4000-5000 bags. Total arrivals are reported around 25,000 bags from all over Bihar. Around 20rakes already moved out from the state. Further rake loading is continued. However, the deals were finalised before. No fresh deals are coming from buyers. The demands from starch industries are also seen declining. 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. 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 a qtl as against the previous closing of Rs.733 per qtl. The contract tested low at Rs.730.5/qlt. The prices finally settled down by 0.14% at Rs.732/qlt. The volumes have increased whereas Open Interest have declined 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 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	30.05.07	31.05.07	Change
Delhi	Red Maize Bihar	770-775	760	-15
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	725	710	-15
Devengere (Bilty)	Red Maize	725	710	-15
Bihar (Loose)	Red Maize	560	550	-10
Ahmedabad	Poultry feed mills	755	735	-20
Ahmedabad	Starch	750	730	-20
Pune	Starch Quality	740-750	740	-10

TECHNICALS:

Charts shows extremely narrow and weak trading. Increased selling interest has still pressurized the markets. Price closed below EMA's, indicating weakness may continue in short and medium terms. while the MACD is flatter in negative zone. The stochastic are moving up in neutral region, which favours the bulls. RSI is moving down in neutral region. Maize futures are expected to trade with bearish inclination.

NCDEX Maize July Contract

O 734.00 H 735.00 L 730.50 C 732.00 V 910113,370 -2

EMA(9) 732.89 (18) 736.35



SUPPORT / RESISTANCES:

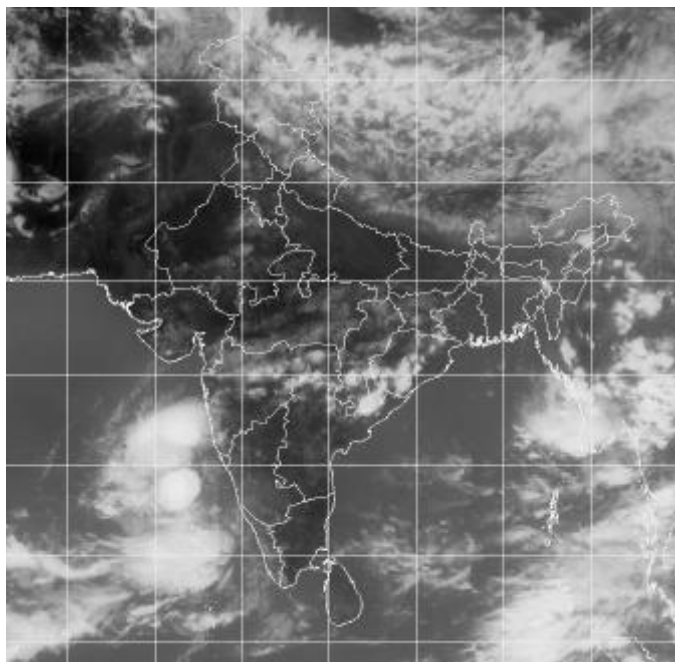
Month	S2	S1	PCP	R1	R2
June	720	724	732	737	740

RECOMMENDATION:

SELL NCDEX-June below 734 with target towards 728 second target near 725. Put stop loss near 738.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (31.05.07)



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 (31.05.07)

- ✓ Fairly widespread rainfall with isolated heavy to very heavy falls have occurred over Kerala, Karnataka and Lakshadweep during past 24 hours. Chief amounts of rainfall (cm) during past 24 hours are: Kannur-19, Agathi-9, Karipur-5. An off-shore trough extends from Karnataka coast to Kerala coast with an embedded upper air cyclonic circulation over east central Arabian Sea off Karnataka coast. Under their influence fairly wide spread rainfall with isolated heavy to very heavy falls are likely over Kerala, Coastal Karnataka and Lakshadweep during next 2-3 days. Highest maximum temperature of 43.4°C was recorded at Bhagalpur (Bihar) during past 24 hrs.

Warning (for next 48 hrs.)

- ✓ Isolated heavy to very heavy rainfall is likely over Coastal Karnataka, Kerala and Lakshadweep Islands.

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

- ✓ Fairly widespread rainfall activity is likely along west coast.

Source: IMD (GOI)

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