

MAIZE DAILY

23rd MAY, 2007

SPOT MARKETS:

Maize spot market prices improve by Rs.5/qlt at Rs.765/qlt at Delhi mandis, on the back of lower arrivals around 4 motors. The freight charges of motors are not competitive as against the rake charges. 4 rakes of maize already arrived at Delhi mandis. Moreover, further rake arrivals are likely in the coming days from Bihar. Firm sentiments of bajra are also underpinning the tone. Some buying support is reported from poultry industries of Haryana. However, poultry industries of U.P. are preferring bajra. Maize traded flat at Rs.560-570/qlt at Naugachia mandi on the back of arrivals of around 3000 bags. Total arrivals are reported around 20,000-25,000 bags from all over Bihar. Starch factories are actively purchasing the crops. The demand from Kolkata has improved. Around 14-15 rakes of maize already moved out from the states. Of them about 3 rakes have moved out to the destination of Ahmedabad for the starch units. Some demand from Maharashtra and Tamilnadu have supported the maize sentiments of Nizamabad and Devengere mandis. The arrivals remained around 15,000 bags in Nizamabad mandis..

FUTURES MARKETS:

Maize futures at NCDEX traded with weak inclination initially following a mix opening. However, some buying interest at lower levels recovered the futures. The most active June contract open firm at Rs.731 a qtl as against the previous closing of Rs.729.5 per qtl. The contract tested contract months' low at Rs.720/qlt. The prices finally settled in blue. The volumes have increased whereas Open Interest has declined 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/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	21.05.07	22.05.07	Change
Delhi	Red Maize Bihar	758-760	765	+5
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	730-735	730-735	-
Devengere (Bilty)	Red Maize	730-735	730-735	-
Bihar (Loose)	Red Maize	560-570	560-570	-
Ahmedabad	Poultry feed mills	800-805	800-805	-
Ahmedabad	Starch	800	800	-
Pune	Starch Quality	800	800	-

TECHNICALS:

A bearish candlestick with long lower shadow has formed, which indicates increased buying support at lower levels. However, the EMAs are still showing bearish tone. Stochastic and RSI are falling in neutral region indicating short-term weakness. Only the MACD shows signs of strengthening. Maize is expected to trade volatile with a bearish inclination.

NCDEX Maize June Contract

O 731.00 H 732.00 L 720.00 C 729.50 V 4,330 I 15,230 -2

EMA(9) 736.99 (18) 743.08



SUPPORT / RESISTANCES:

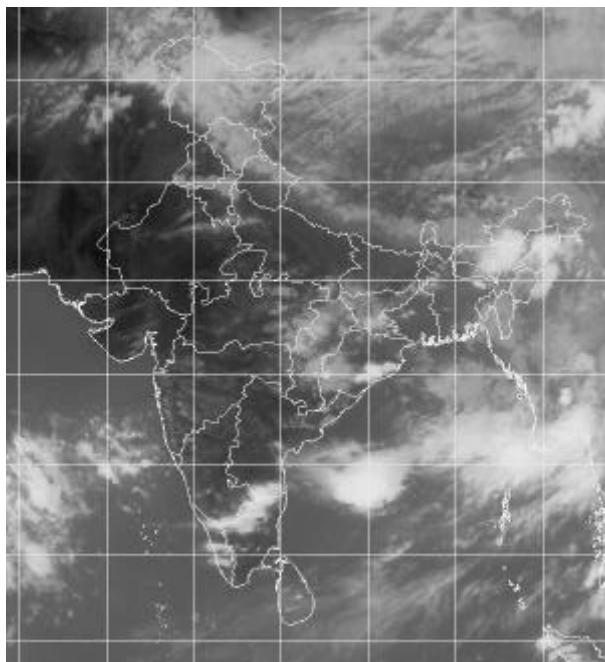
Month	S2	S1	PCP	R1	R2
June	715	721	729.5	740	745

RECOMMENDATION:

SELL NCDEX-June below 734 with target towards 724 second target near 721. Put stop loss near 739.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (21.05.07)



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 (21.05.07)

- ✓ The current meteorological analysis suggests that ongoing fairly widespread rain/thundershower activity over northeastern States and Sub-Himalayan West Bengal & Sikkim likely to continue for another 24 hours and decrease thereafter. Under the influence of a western disturbance, isolated to scattered rain/thundershowers accompanied with squall are likely over northwest India during next 2-3 days. The prevailing heat wave conditions over parts of Coastal Andhra Pradesh are likely to continue during next 1-2 days and abate thereafter.

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely over Jammu Division of Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Rajasthan, Delhi, Chandigarh, Bihar, Jharkhand, Orissa, West Bengal & Sikkim. Isolated heavy rainfall is likely over northeastern states.

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

- ✓ Scattered rainfall activity over northeastern States and isolated over northwest & east India.
- ✓ Increase in rainfall activity over west coast.

Source: IMD (GOI)

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