

## MAIZE DAILY

19<sup>th</sup> MAY, 2007

### SPOT MARKETS:

Maize spot market prices remained steady between Rs.755-760/qrtl at Delhi mandis, on the back of arrivals of 10-12 motors and 3 rakes from Bihar recently, stock levels are higher in Delhi mandis. Further, one rake is likely to arrive in the next week. Maize traded flat at Rs.560/qrtl at Naugachia mandi on the back of higher arrivals of around 5000 bags daily. Total arrivals are reported around 25,000-30,000 bags all over Bihar. However, high moisture content in the fresh crop is reported. Rake demand from U.P. and northern states are rising from because of lower freight costs. Some demand from Ahmedabad starch industries is reported. Big units of Gujarat and Karnataka are reported to have piled up stocks for the coming months. However, demands from poultry industries are remained weak. Generally, during the summer demand from the poultry sector takes a setback because of the consumption of the poultry products remains down. Maize prices are unlikely to go much higher in the coming days because of rake arrivals from Bihar. Price may recover as soon as rabi crops harvesting is over.

### FUTURES MARKETS:

Maize futures at NCDEX traded with weak bias initially following a firm opening. Increased selling pressure slid down the futures. The most active June contract open firm at Rs.747 a qtl as against the previous closing of Rs.744 per qtl. The contract tested low at Rs.725.5/qrtl. The prices finally settled down by 1.21% at Rs 735. The volumes as well as Open Interest have increased during the session.

### PRICE DRIVERS:

#### Bullish:

1. Total maize production for 2006-07 is estimated lower at 13.85 million tonnes as against 14.71 Mln Tonnes last year

#### 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 3<sup>rd</sup> advance estimate)

### WEATHER:

The present weather condition is favourable for maturity of crop.

### TECHNICALS:

A bearish candle has formed, sellers dominated the market. However, long lower shadow indicates, buying support at lower levels. Prices close below the 9-day EMA, indicating some weakness in the short to medium term. The MACD is moving almost flat. The Stochastic made bearish crossover in neutral region. The RSI is in neutral region also and moving downwards. Maize futures are expected to trade bearish bias.

#### NCDEX Maize June Contract

O 747.00 H 747.00 L 725.50 C 735.00 V 8,280 I 16,040 -10

EMA(9) 741.75 (18) 747.36



### SUPPORT / RESISTANCES:

| Month | S2  | S1  | PCP | R1  | R2  |
|-------|-----|-----|-----|-----|-----|
| June  | 716 | 723 | 735 | 745 | 751 |

### RECOMMENDATION:

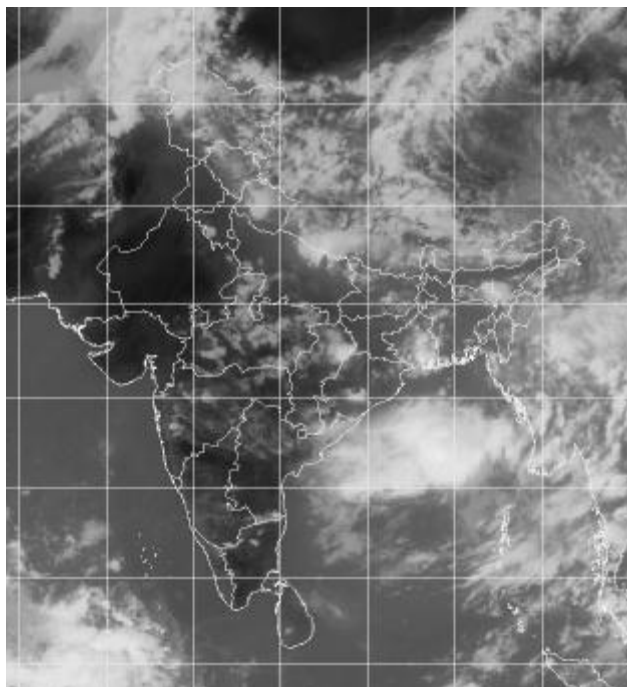
**SELL** NCDEX-June below 740 with target towards 730 second target near 725. Put stop loss near 745.

Do not carry forward the position until the next day.

### SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

| Markets               | Variety            | 17.05.07 | 18.05.07 | Change |
|-----------------------|--------------------|----------|----------|--------|
| Delhi                 | Red Maize Bihar    | 750-755  | 750-755  | -      |
| Delhi                 | U.P. Gajar Maize   | -        | -        | -      |
| Nizamabad (Bilty) New | Red Maize          | 725-730  | 730      | -      |
| Devengere (Bilty)     | Red Maize          | 720-725  | 725      | -      |
| Bihar (Loose)         | Red Maize          | 560      | 560      | -      |
| Ahmedabad             | Poultry feed mills | 825      | 825      | -      |
| Ahmedabad             | Starch             | 815-820  | 820-825  | +5     |
| Pune                  | Starch Quality     | 800      | 800-805  | +5     |

## SATELLITE PICTURE OF MONSOON PROGRESS (18.05.07)



### 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  $\pm 3$  days.

### Chief Features (18.05.07)

- ✓ Under the influence of an approaching western disturbance, scattered rain/thundershowers are likely over Western Himalayan region during next 3 days. Isolated rain/thundershower accompanied with squall is also likely over plains of northwest India during the same period. The current meteorological analysis suggests that ongoing scattered rainfall activity is likely to continue over northeastern States and adjoining east India. Heat wave conditions continued to prevail over Coastal areas of Andhra Pradesh and Tamil Nadu and are likely to continue during next 1-2 days. Highest maximum temperature of 46.2 0C recorded at Gannavaram in Andhra Pradesh

### Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Delhi, Chandigarh, Uttar Pradesh, Bihar, Jharkhand, Orissa, West Bengal & Sikkim.

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

- ✓ Scattered rainfall activity is likely over east and northeast India.

Source: IMD (GOI)

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