

MAIZE DAILY

30th MAY, 2007

SPOT MARKETS:

Maize spot market decline further in major domestic markets on continuous fresh arrivals of rabi crops from Bihar amidst lower buying support. Most of the big units have reportedly covered their stocks for the use of coming month. Moreover, bearish sentiments of bajra added underlying bearish tone. At Delhi, the maize trades steady to between Rs.770-775/ql. on the back of arrivals around 3-4 motors. Rake arrivals have hampered due to labour strikes. 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/ql. because of higher arrivals from U.P. Maize decline further by Rs.15/ql at Rs.560/ql 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. 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. Despite the sharply declining arrivals in A.P. and Karnataka mandis. The price of the coarse grain trades down on lower demand. No major change is expecting in maize prices in the coming days because of continuous arrivals.

FUTURES MARKETS:

Maize futures at NCDEX traded with slightly firm tone following a mix opening. Increased buying interest at lower level has supported the futures. The most active June contract open weak at Rs.730 a qtl as against the previous closing of Rs.732.5 per qtl. The contract tested high at Rs.735.5/ql. The prices finally settled up by 0.34% at Rs.735/ql. The volumes as well as Open Interest have 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/ql.

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:

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

| Markets | Variety | 28.05.07 | 29.05.07 | Change |
|-----------------------|--------------------|----------|----------|--------|
| Delhi | Red Maize Bihar | 770-775 | 770-775 | - |
| Delhi | U.P. Gajar Maize | - | - | - |
| Nizamabad (Bilty) New | Red Maize | 740 | 725 | -15 |
| Devengere (Bilty) | Red Maize | 740 | 725 | -15 |
| Bihar (Loose) | Red Maize | 570-575 | 560 | -15 |
| Ahmedabad | Poultry feed mills | 775 | 760 | -15 |
| Ahmedabad | Starch | 775 | 750 | -25 |
| Pune | Starch Quality | 780 | 770 | -10 |

TECHNICALS:

A bullish candle with short body has formed, showing some buying interest at lower levels. Price close above 9 days EMA, indicating price may recover from early weakness. MACD is in negative zone and smartly improving. RSI as well as Stochastic is moving up in neutral region. Maize futures are expected to trade with bullish inclination.

NCDEX Maize July Contract

O 730.00 H 735.00 L 728.50 C 734.00 V 1,420 I 13,720 +2

EMA(9) 732.89 (18) 737.20



SUPPORT / RESISTANCES:

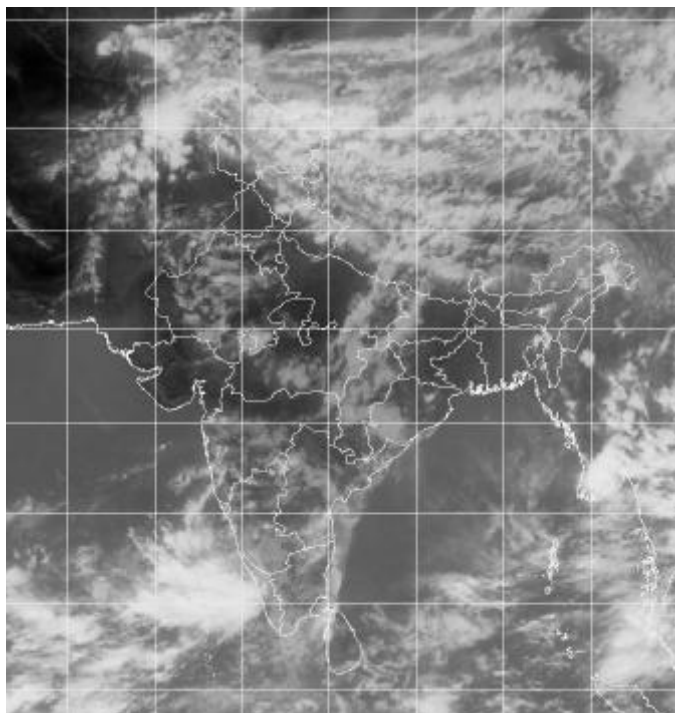
| Month | S2 | S1 | PCP | R1 | R2 |
|-------|-----|-----|-----|-----|-----|
| June | 730 | 733 | 735 | 746 | 750 |

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 (29.05.07)



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 (29.05.07)

- ✓ Under the influence of an offshore trough extending from south Konkan coast to Kerala coast, widespread rainfall with isolated heavy to very heavy falls are likely over Kerala, coastal Karnataka and south Konkan & Goa during next 48 hours. The ongoing rainfall activity over Interior Karnataka and Tamil Nadu is likely to increase during the same period. With the likely weakening and eastward movement of western disturbance, the ongoing rain/thunderstorm activity over northwest India is likely to decrease from tomorrow onwards. Consequently, day temperatures are likely to increase over the region from tomorrow.

Warning (for next 48 hrs.)

- ✓ Isolated heavy to very heavy rainfall is likely over south Konkan & Goa, Coastal Karnataka, Kerala and Lakshadweep Islands. Isolated thunder squall is likely over northwest India, Orissa and Gangetic West Bengal.

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

- ✓ Scattered to fairly widespread rain/thundershower activity is likely over south Peninsular India. Rise in day temperature over northwest India.

Source: IMD (GOI)

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