

MAIZE DAILY

21st MAY, 2007

SPOT MARKETS:

Maize spot market prices remained steady to marginally up between Rs.755-760/qlt at Delhi mandis, on the back of lower arrivals around 8 motors. The stock position is good as 3 rakes from Bihar recently arrived in Delhi mandis. Further, one rake is likely to arrive in the next week. However, demand is not rising because of higher moisture content of fresh crops. The lower quality crops trades lower around Rs.730-735/ qtl. Maize traded almost flat at Rs.555-560/qlt at Naugachia mandi on the back of higher arrivals of around 5000 bags. Total arrivals are reported around 20,000-25,000 bags all over Bihar. The price decline in Nizamabad and Devengere mandis on lower demand. 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. The price remained almost flat in different mandis of Pune on the back of arrivals around 20 motors daily from local stocks. Demands from poultry industries are remained weak. Price likely to recover after rabi crops harvesting is over. The stock Position of maize at NCDEX accredited Warehouses decline sharply and stood around 5244 MT as on 17.05.07 as against 9194 MT during last week. Govt. has increased the MSP of maize by Rs 80 to Rs 620/qlt.

FUTURES MARKETS:

Maize futures at NCDEX traded with weak inclination following a mix opening. Increased selling pressure slid down the futures initially. The most active June contract open firm at Rs.736 a qtl as against the previous closing of Rs.734.5 per qtl. The contract tested low at Rs.730.5/qlt. However, the prices finally settled marginally up on late buying support by 0.20% at Rs 736. The volumes as well as 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 2.85 Mln. Tonnes as against 2.55 Mln Tonnes last year 3rd advance estimate)

WEATHER:

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	18.05.07	19.05.07	Change
Delhi	Red Maize Bihar	750-755	755-760	+5
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	730	710	-20
Devengere (Bilty)	Red Maize	725	715	-10
Bihar (Loose)	Red Maize	560	560-565	-5
Ahmedabad	Poultry feed mills	825	825	-
Ahmedabad	Starch	820-825	820-825	-
Pune	Starch Quality	800-805	800	-5

TECHNICALS:

A bullish candlestick with long lower shadow has formed following a bearish candlestick, indicates some possibility of recovery. However, prices have fallen below the EMAs while the MACD has still flattened in the negative region. The Stochastic and RSI are falling in neutral region. Maize futures are expected to trade with a bearish bias.

NCDEX Maize June Contract

O 734.50 H 737.00 L 730.50 C 736.00 V 1,280 I 15,860 +1
EMA(9) 740.60 (18) 746.17



SUPPORT / RESISTANCES:

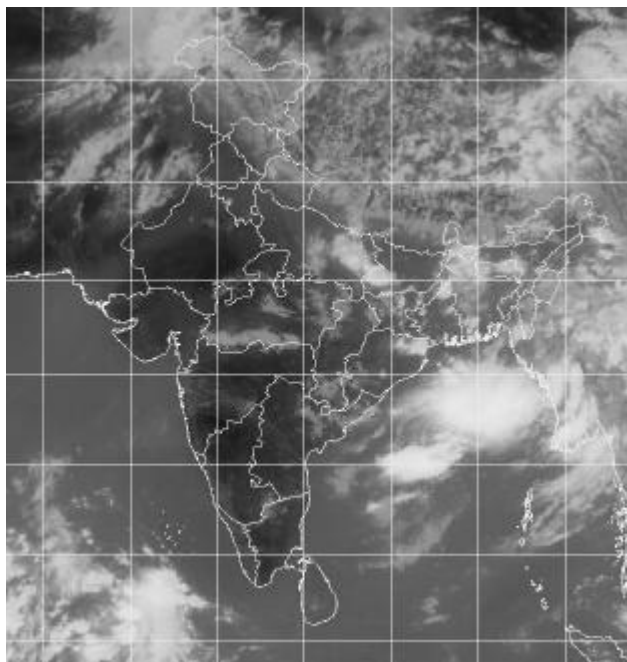
Month	S2	S1	PCP	R1	R2
June	723	726	736	745	750

RECOMMENDATION:

SELL NCDEX-June below 740 with target towards 730 second target near 726. Put stop loss near 745.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (19.05.07)



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 (19.05.07)

- ✓ A western disturbance as an upper air system lies over north Pakistan and neighbourhood. Under its influence, scattered rain/thundershower activity are likely over Western Himalayan region during next 2-3 days. Isolated to scattered rain/thundershower accompanied with squall is also likely over plains of northwest India during the same period. Heat wave conditions continued over some parts of Coastal Andhra Pradesh and coastal Tamil Nadu. Heat wave conditions also developed over some parts of Vidarbha and isolated pockets of north Rajasthan. However, they are likely to abate from north Rajasthan and continue over some parts of Coastal Andhra Pradesh, coastal Tamil Nadu and Vidarbha during next 2 days. The highest maximum temperature of 45.9°C has been recorded over Ganganagar (Rajasthan) during past 24 hrs.

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely over Jammu Division of Jammu & Kashmir, 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 rain/thunderstorm activity is likely over Western Himalayan region and adjoining northern plains.

Source: IMD (GOI)

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