

MAIZE DAILY

22nd MAY, 2007

SPOT MARKETS:

Maize spot market prices remained steady to marginally up between Rs.758-760/qrtl at Delhi mandis, on the back of steady arrivals around 10 motors. The stock position is good as 4 rakes from Bihar recently arrived in Delhi mandis. Moreover, marginally upwards sentiments of bajra prices are also underpinning the tone. Some buying support is reported from poultry industries of Haryana. Maize traded marginally up at Rs.560-570/qrtl at Naugachia mandi on the back of lower arrivals of around 2000 bags. Total arrivals are reported around 15,000-20,000 bags from all over Bihar. Rainfall has limited arrivals and has increased the moisture content of fresh crops. The demand from poultry sector is lower because of higher moisture percentage. However, starch factories are purchasing the crops. 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 companies. The price improve in Nizamabad and Devengere mandis on lower arrivals amidst some demand from Maharastra and Tamilnadu.

FUTURES MARKETS:

Maize futures at NCDEX traded with weak inclination following a mix opening. Increased selling pressure has pressurised the futures. The most active June contract open weak at Rs.735 a qtl as against the previous closing of Rs.736.5 per qtl. The contract tested low at Rs.726/qrtl. The prices finally settled marginally down by 0.68% at Rs 731.5. 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/qrtl.

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:

The present weather condition is favourable for maturity of crop.

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	19.05.07	21.05.07	Change
Delhi	Red Maize Bihar	755-760	758-760	-
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	710	730-735	+25
Devengere (Bilty)	Red Maize	715	730-735	+20
Bihar (Loose)	Red Maize	560-565	560-570	+5
Ahmedabad	Poultry feed mills	825	800-805	-20
Ahmedabad	Starch	820-825	800	-20
Pune	Starch Quality	800	800	-

TECHNICALS:

A bearish candlestick with lower shadow has formed, which indicates weakness may continue in the market. However, the EMAs show bearish trend. MACD is still in negative zone. Stochastic and RSI are falling in neutral region indicating short-term weakness. Maize is expected to trade with a bearish inclination.

NCDEX Maize June Contract

O 735.00 H 736.50 L 726.00 C 731.50 V 3,330 I 15,760 -5

EMA(9) 738.86 (18) 744.67



SUPPORT / RESISTANCES:

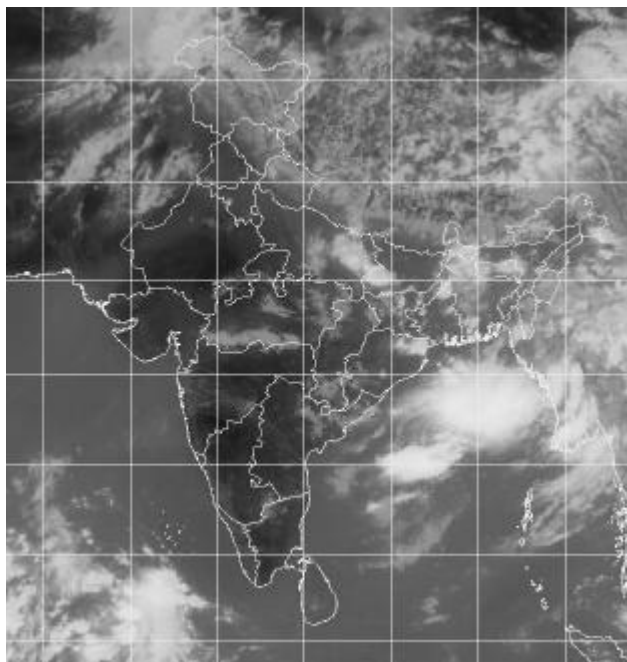
Month	S2	S1	PCP	R1	R2
June	715	721	731.5	740	745

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 (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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