

MAIZE DAILY

24th MAY, 2007

SPOT MARKETS:

Maize spot market prices remained mostly flat in major domestic markets on the scenario of continuous fresh arrivals of rabi crops from Bihar. However, fresh arrivals have declined sharply in A.P. and Karnataka mandis. Farmers are unwilling to release their full stocks at present price. Traders are expecting some recovery in prices in coming fortnight because of decreasing arrivals in Bihar. At Delhi, the maize trades down by Rs.5/qrtl at Rs.760/qrtl at Delhi mandis, due to arrival of a rake from Bihar on Wednesday. Therefore, a total of 5 rakes of maize already arrived at Delhi mandis. Moreover, further rake arrivals are likely in the coming days from Bihar. Some buying support is reported from poultry industries of Haryana. However, poultry industries of U.P. are preferring bajra. Maize traded steady to marginally up at Rs.565-570/qrtl at Naugachia mandi on the back of lower arrivals of around 2000 bags. Total arrivals are reported around 15,000 bags from all over Bihar. Starch factories are actively purchasing the crops.

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 weak at Rs.727.5 a qtl as against the previous closing of Rs.729.5 per qtl. The contract slid down near contract months' low at Rs.720.5qtl. The prices finally settled in blue. The volumes as well as Open Interest has 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:

Rainfall in the maturity stage is not conducive for the qualitative terms of the grains.

TECHNICALS:

A bullish candlestick with long lower shadow has formed, which indicates increased buying support at lower levels. However, price closed below the EMAs, showing weak tone. Stochastic is in normal region and RSI are flattering in neutral region. The MACD shows signs of strengthening. Maize is expected to trade volatile with a bullish inclination.

NCDEX Maize July Contract

O 727.50 H 729.50 L 720.50 C 729.50 V 2,970 I 14,400 0

EMA(9) 735.49 (18) 741.65



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
June	722	726	729.5	745	751

RECOMMENDATION:

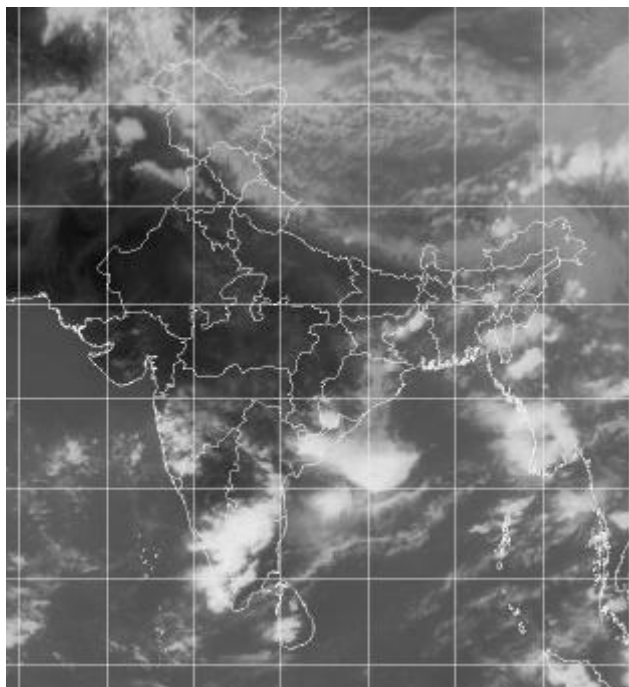
BUY NCDEX-June above 732 with target towards 740 second target near 745. Put stop loss near 727.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	22.05.07	23.05.07	Change
Delhi	Red Maize Bihar	765	760	-5
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	730-735	735-740	+5
Devengere (Bilty)	Red Maize	730-735	740	+5
Bihar (Loose)	Red Maize	560-570	565-570	-
Ahmedabad	Poultry feed mills	800-805	800-805	-
Ahmedabad	Starch	800	800	-
Pune	Starch Quality	800	800	-

SATELLITE PICTURE OF MONSOON PROGRESS (22.05.07)



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 (22.05.07)

- ✓ Numerical Weather Prediction models suggest gradual decrease in rainfall activity over northeastern states during next 3 days. The prevailing meteorological conditions indicate rise in day temperature over the plains of northwest India during next 24 hours. Subsequently, fall in day temperature is likely due to expected isolated to scattered thunderstorm activity over the region. The heat wave conditions still continued over parts of Coastal Andhra Pradesh. They are likely to abate during next 48 hours.

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely Bihar, Jharkhand, Orissa, West Bengal & Sikkim.

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

- ✓ Scattered rainfall activity over northeastern States.
- ✓ Isolated to scattered rainfall activity over northwest & east India.
- ✓ Increase in rainfall activity along west coast.

Source: IMD (GOI)

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