

MAIZE DAILY

09th June, 2007

SPOT MARKETS:

Maize sentiments remain mostly stable in major domestic markets. Maize sentiments remain bearish in Delhi mandis on the pressure of increased rake arrivals. Stock position is good as around 8 rakes already arrived in the mandis with more rakes expected to follow. The traders are reportedly availing 15% discount on railway freight on the purchase of maize from rural areas (as this sop is extended by the Railways), which has supported more dispatches from Bihar. However, demand from poultry sector remains dull. Maize traded between Rs. 725-730/qtl in Delhi ex-godown, while the rate is Rs.715/qtl for railhead delivery. The weak tone of bajra due to increasing arrivals from U.P. has also added to sluggishness in the market. The new bajra prices are currently traded at Rs.670/ qtl. lower than last year. Naugachia mandi witnessed steady arrivals of around 3000 bags and prices remain flat at Rs.550/qtl. It is learnt that some exports, though in very small quantities, are taking place from Mumbai to Colombo through STC, MMTC and PEC. Exports to Bangladesh from Kolkata are also reported. The maize prices likely to remain soft until the arrival of Rabi crops in the market. However, around 70-75 per cent of the maize produced in the country is grown during Kharif season, which will be sown with the arrival of monsoon.

FUTURES MARKETS:

Maize futures at NCDEX traded firm following a steady to firm opening. The most active July contract open steady at Rs.770.5 a qtl. The contract tested high at Rs.772/qtl. The prices finally settled up near days high by 0.19% at Rs.772/qtl. The volumes have declined whereas open Interests have increased during the session.

PRICE DRIVERS:

Bullish:

1. Maize output this year is estimated down against last year
2. Govt. increased the MSP of maize by Rs 80 to Rs 620/qtl.
3. Some exports are taking place towards Bangladesh and Colombo.

Bearish:

1. The fresh rabi crops arrivals are continued in Bihar
2. Bearish outlook of bajra on higher arrivals in coming days

WEATHER:

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	07.06.07	08.06.07	Change
Delhi	Red Maize Bihar	730	725-730	-
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	720	720	-
Devengere (Bilty)	Red Maize	720	720	-
Bihar (Loose)	Red Maize	550	550	-
Ahmedabad	Poultry feed mills	755-760	755-760	-
Ahmedabad	Starch	750-760	750-760	-
Pune	Starch Quality	750	750	-

TECHNICALS:

Candlestick pattern shows bullish tone. Bulls dominated the market at lower levels. EMA patterns and MACD remain bullish. MACD enters in positive region and moving upwards. Stochastic as well as RSI is rising in neutral region. Maize is likely to trade bullish after a steady to firm opening.

NCDEX Maize July Contract

O 770.50 H 772.00 L 767.00 C 772.00 V 1,380 116,270 +1.5

EMA(9) 761.15 (18) 759.47



SUPPORT / RESISTANCES:

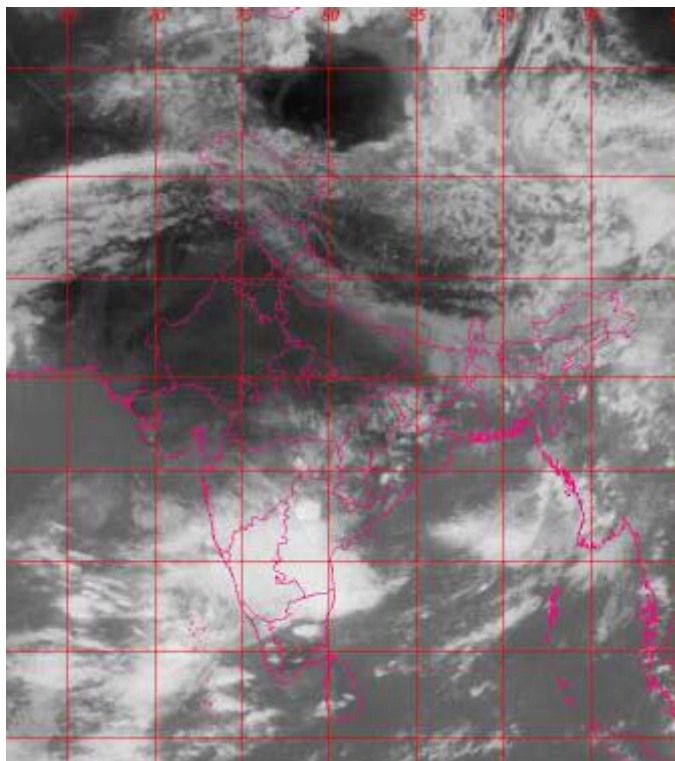
Month	S2	S1	PCP	R1	R2
July	760	764	772	780	785

RECOMMENDATION:

BUY NCDEX-July above 769 with target towards 775 second target near 779. Put stop loss near 765.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (07.06.07)



Monsoon watch

- ✓ A low pressure area has formed over east-central Arabian Sea. It is likely to intensify into a depression during next 48 hrs. Various numerical prediction models suggest northwestwards movement of the system away from west coast of India. Under this scenario, southwest monsoon is not likely to advance further during next 3 days.

Chief Features (07.06.07)

- ✓ The analysis of the current meteorological conditions suggest strong northwesterly surface winds are likely to continue over plains of northwest India during next 3 days. Under the present scenario day temperatures are likely to further increase and become 43-45 °C over this region. Fairly wide spread rainfall is likely to continue over northeastern states during next 48 hours and increase thereafter. Numerical Weather Prediction models suggest reorganization and strengthening of monsoon flow over Arabian Sea and Bay of Bengal during next 2-3 days.

Warning (for next 48 hrs.)

- ✓ Isolated heavy rainfall is likely over northeastern states, Coastal Karnataka, Kerala and Lakshadweep

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

- ✓ Increased rainfall activity is likely over northeastern states. Fairly wide spread rainfall activity likely along west coast.

Source: IMD (GOI)

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