

MAIZE DAILY

20th June, 2007

SPOT MARKETS:

Maize prices at Delhi mandis remained steady between Rs. 740-745/qlt ex-godown basis on the back of arrivals around 3 motors from Bihar. Rakes arrivals are likely in the week from Bihar. However, the quality of fresh crops arrived is not good because of higher moisture content. Bajra sentiments remained down and quoted around Rs 625/qlt. Around 10-12 motors of bajra are arriving in Delhi mandis on regular basis from U.P.. Some summer maize crops arrivals are reported from Nanaksar and Hosiarpur and Pathankot districts of Punjab. The maize sentiment has improved in Ahmedabad and Maharashtra mandis on meagre arrivals amidst some demand from starch sectors. The actors in the market are carefully monitoring the progress of monsoon in the two major kharif maize producing states i.e; Mahrastra and Karnataka. The monsoon progress is good towards Maharashtra. As per the reports available the maize sowing is lagging behind by 20% at 398,900 ha so far as on 14.06.07 over last year, but there is still time for sowing.. The normal area under kharif maize is 62.16 lakh ha. According to market sources, the higher prices this year translate to higher sowing in the year 2007/08.

FUTURES MARKETS:

Maize futures at NCDEX traded bearish initially following a mix opening. The most active July contract open steady at Rs.784.a qtl. and traded lowest at Rs.776/qlt. However, increased buying interest at lower levels recovered the and settled marginally down by 0.13% at Rs.783/qlt. The volumes have decreased whereas the open Interests have increased during the session.

PRICE DRIVERS:

Bullish:

1. Some exports are taking place towards Bangladesh and Colombo.
2. Acreage under kharif maize crops down 20% as against last year so far

Bearish:

1. Bearish outlook of bajra on higher arrivals in coming days
2. Kharif crop showing is likely to supported by steady progress of monsoon

WEATHER:

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	19.06.07	18.06.07	Change
Delhi	Red Maize Bihar	740-745	745	-
Nizamabad (Bilty) New	Red Maize	755	745	+10
Devengere (Bilty)	Red Maize	740	740	-
Bihar (Loose)	Red Maize	560-565	560-565	-
Ahmedabad	Poultry feed mills	840	840	-
Ahmedabad	Starch	820	820	-
Pune	Starch Quality	810	810	-

TECHNICALS:

Candlestick with its long lower shadows shows bulls dominate at lower levels. The EMA pattern and MACD are bullish with MACD entering positive region. The Stochastic has turned upwards in bullish region while the RSI is rising towards overbought zone. Maize is likely to trade bullish following a firm opening, with possibility of a late downward correction.

NCDEX Maize July Contract

O 784.00 H 787.00 L 776.00 C 783.00 V 5,490 I 18,660 0
EMA(9) 771.09 (18) 766.57



SUPPORT / RESISTANCES:

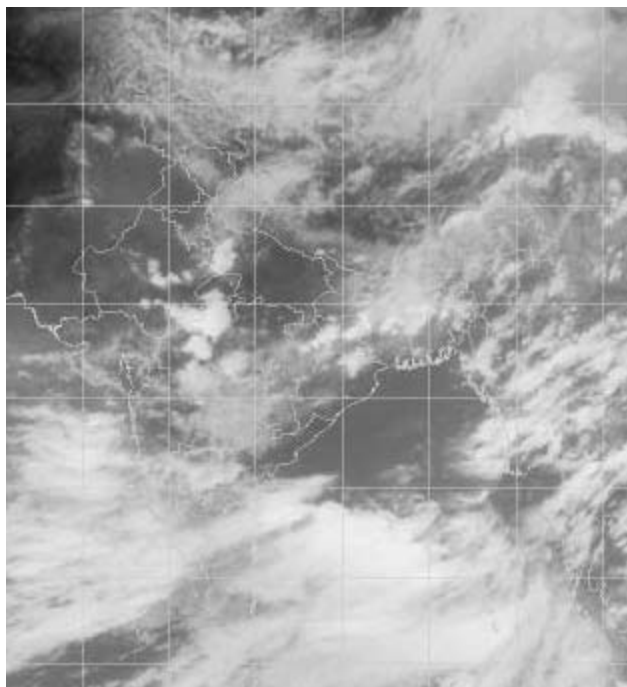
Month	S2	S1	PCP	R1	R2
July	776	779	783	796	800

RECOMMENDATION:

BUY NCDEX-July above 783 with target towards 791, second target near 795. Put stop loss near 779.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (19.06.07)



Monsoon watch

- ✓ Southwest monsoon has further advanced into some more parts of central Arabian Sea, Konkan & Goa, some parts of Madhya Maharashtra & Marthawada, some more parts of Telangana, Jharkhand, Bihar & East Uttar Pradesh and Uttarakhand. Northern limit of monsoon passes through lat. 17.0°N/ long. 60.0E°, lat. 17.0°N/ long. 70.0E°, Ratnagiri, Parbhani, Ramagundam, Gopalpur, Balasore, Ranchi, Varanasi, Sultanpur, Baharich and Mukteshwar. Conditions are favourable for further advance of southwest monsoon into some more parts of Maharashtra, Chhattisgarh, Orissa, Uttar Pradesh and Uttarakhand during next 2-3 days.

Chief Features (19.06.07)

- ✓ A low pressure area has formed over east-central Bay of Bengal. It is likely to concentrate into a depression by tomorrow. Under its influence, rainfall activity is likely to increase over Andhra Pradesh, Orissa and south Chhattisgarh during 21st and 22nd. Subsequently, with the likely west-northwestwards movement of the system, the enhanced rainfall belt is likely to shift to Maharashtra, Goa, Karnataka, south Madhya Pradesh and Gujarat during 23rd to 25th June. In association with the above system, southwest monsoon is likely to advance further into remaining parts of Orissa, Chhattisgarh & Maharashtra, some parts of Madhya Pradesh and Gujarat during next 5 days. Under the influence of an active off-shore trough widespread rainfall with heavy to very heavy falls is likely to continue along the west coast during next 4-5 days. Ongoing rainfall activity over the northwest India and Rajasthan is likely to decrease from tomorrow onwards. The rainfall activity over northeastern states and Sub-Himalayan West Bengal & Sikkim is likely to subside from tomorrow onwards.

Warning (for next 48 hrs.)

- ✓ Heavy to very heavy rainfall is likely at a few places over Andaman & Nicobar Islands, Konkan & Goa, Coastal Karnataka, Kerala and Lakshadweep during next 48 hours. Isolated heavy to very heavy rainfall is also likely over northeastern states, Sub-Himalayan West Bengal & Sikkim during next 24 hours.

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

- ✓ Increase in rainfall activity likely over Maharashtra, Goa, Karnataka, south Madhya Pradesh and Gujarat state.

Source: IMD (GOI)

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