

MAIZE DAILY

12th June, 2007

SPOT MARKETS:

Maize prices at Delhi mandis stayed flat at Rs. 735/qlt in Delhi ex-godown basis, while the rate is Rs.721/qlt for railhead delivery. One rake has arrived from Bihar during Tuesday and sold out from station. Some demand from Haryana and Punjab is supporting the prices. The weak tone of bajra due to increasing arrivals from U.P. has added to sluggishness in the market. Bajra prices quoted down at Rs.650-660/qlt. New crop arrivals from Bihar continue. Near about 30-35 rakes already moved out from the state. Further rake loading is continuing. Good demand from starch industries are witnessed. Price improved marginally at Rs.555/qlt in Naugachia mandi on the back of arrivals around 3000 bags. Reportedly 50% of the crop is still lying unsold in Bihar. Traders are optimistic that the weak tone may continue through out three month. However, some recovery is likely as Rabi harvesting ends, as the total production for 2006-07 is estimated lower at 13.85 million tonnes and demand is placed at around 14 million tonnes. Good demand from starch industries of Ahmedabad and Maharashtra added some tight sentiments in maize prices in the states.

FUTURES MARKETS:

Maize futures at NCDEX traded bearish at early hours. However, increased buying interest at lower levels has supported the futures. The most active July contract open lower at Rs.770.5 a qtl. as against the previous closing of Rs.772/qlts. The prices finally settled marginally down by 0.06% at Rs.771.5/qlt. The volumes as well as open Interests have increased marginally 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/qlt.
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:

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

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

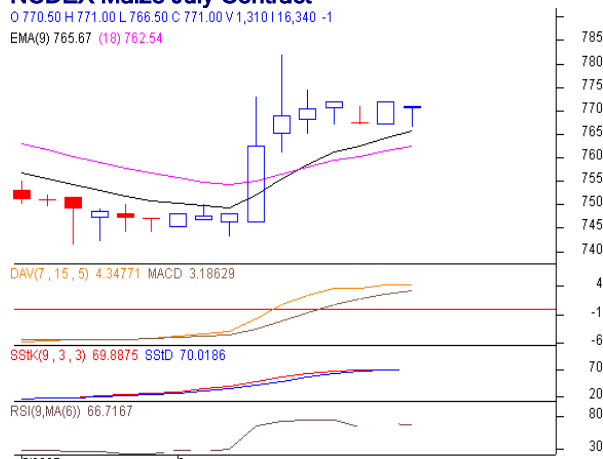
Markets	Variety	11.06.07	12.06.07	Change
Delhi	Red Maize Bihar	735	735	-
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	725-730	725	-
Devengere (Bilty)	Red Maize	725	725	-
Bihar (Loose)	Red Maize	550	555	+5
Ahmedabad	Poultry feed mills	775	800	+25
Ahmedabad	Starch	760	790	+30
Pune	Starch Quality	-	800	-

TECHNICALS:

A Dragonfly Doji candle has formed, indicating bottom reversal when confirmed with a bullish engulfing at very next day. EMA patterns and MACD remain bullish for the medium term. Stochastic in the verge of making bearish crossover in the normal region, reflecting some weakness and RSI is flatter in the normal zone. Maize is likely to trade range bound to higher. Buyers can take position after confirming the strength.

NCDEX Maize July Contract

O 770.50 H 771.00 L 766.50 C 771.00 V 1,310 I 16,340 -1
EMA(9) 765.67 (18) 762.54



SUPPORT / RESISTANCES:

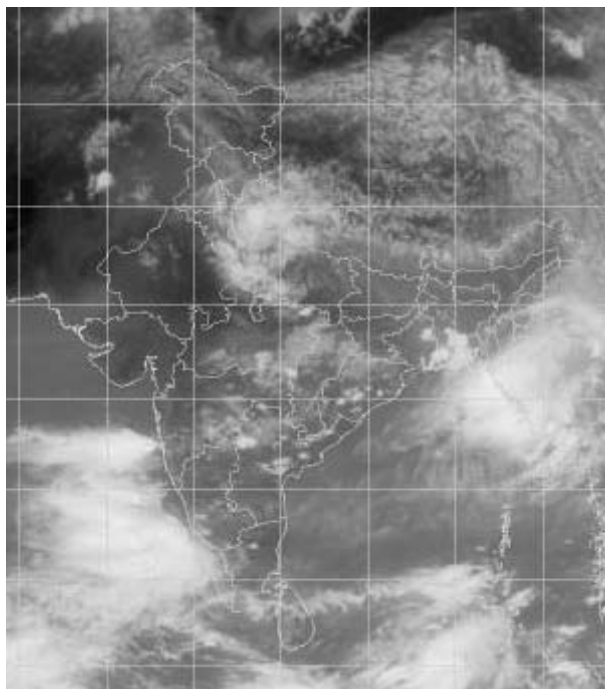
Month	S2	S1	PCP	R1	R2
July	762	767	771.5	783	787

RECOMMENDATION:

BUY NCDEX-July above 772 with target towards 778 second target near 781. Put stop loss near 769.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (12.06.07)



Monsoon watch

- ✓ Conditions continue to remain favourable for further advance of southwest monsoon into some parts of Konkan & Goa & south Madhya Maharashtra and some more parts of interior peninsula & east India during next 3-4 days.

Chief Features (12.06.07)

- ✓ As predicted, heat wave conditions have abated from most parts of plains of northwest India and central India. However, they still prevailed over isolated pockets of north Rajasthan and adjoining Haryana. The current meteorological analysis suggests a further fall in day temperatures over northwest India and Rajasthan owing to prevalence of easterly winds & likely occurrence of scattered thunderstorm activity during next 2-3 days. Numerical Weather Prediction Models suggests increase of ongoing rainfall activity along the west coast and east India during next 3 days. Chief amount of rainfall (upto 3 cms.): Cherrapunji-18, Kozhikode & Kailashahar-13 each, Kochi-9, Agartala-7, Sundernagar-6, Silchar, Chitradurga, Goa, Pendra, Kottayam-5 each, Karwar-4, Kannur & Shirali-3 each.

Warning (for next 48 hrs.)

- ✓ Isolated heavy to very heavy rainfall is likely over northeastern states, West Bengal & Sikkim, south Konkan & Goa, Coastal Karnataka, Kerala and Lakshadweep.

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

- ✓ Rainfall activity is likely to increase over east India, west coast and interior Karnataka.

Source: IMD (GOI)

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