

MAIZE DAILY

14th June, 2007

SPOT MARKETS:

Maize prices at Delhi mandis remained stable at Rs. 735/qrtl in Delhi ex-godown basis. Stock position is good as rake arrivals are continued. The weak tone of bajra due to increasing arrivals from U.P. has added to sluggishness in the market. Bajra prices quoted much down at Rs.630/qrtl. Maize spot prices in the Nizamabad and Andhra Pradesh mandis have improved on reduced inflows. Traders are optimistic about further increase in prices as demand from Maharashtra and Tamilnadu likely to pick up in the coming days. Some export is going on towards Moscow and Bangladesh and increase in export possibility is cant rule out because of higher global price. UAE, the major importer of egg from India has recently lifted the ban on Indian egg export to this country and that will no doubt increase the Indian egg export in coming days. Rising egg export will no doubt support the maize sentiments in near terms because 50% of maize production in our country has used in the poultry sector. Kharif crop showing is going on steadily in Maharashtra and Karnataka, the main kharif maize growing states in the country. Therefore, traders are also closely watching the monsoon progress. New crop arrivals from Bihar continue. Price improved to Rs.570/qrtl in different mandis of Bihar on the back of sharply lower arrivals around 2000 bags all over the state due to heavy rains.

FUTURES MARKETS:

Maize futures at NCDEX traded sharply bearish on increased selling pressure at higher levels. The most active July contract open lower at Rs.770.a qtl. as against the previous closing of Rs.771.5/qtls. The prices finally settled much below by 2.14% at Rs.754.5/qrtl. The volumes as well as open Interests have increased significantly during the session.

PRICE DRIVERS:

Bullish:

1. Some exports are taking place towards Bangladesh and Colombo.

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:

Rainfall in the sowing stage of kharif crop are favourable for the crop.

TECHNICALS:

A long bearish candle has formed, indicating trend reversal. The price closed below the EMA's and MACD is declining towards negative zone following a bearish crossover. Stochastic has made bearish crossover and moving down. RSI is falling sharply towards over sold zone. All the indicators reflecting weak tone. Maize is likely to trade bearish following a weak opening.

NCDEX Maize July Contract

O 770.00 H 770.00 L 753.50 C 755.00 V 2,990 I 17,220 -16.5

EMA(9) 763.82 (18) 761.82



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
July	740	744	754.5	763	767

RECOMMENDATION:

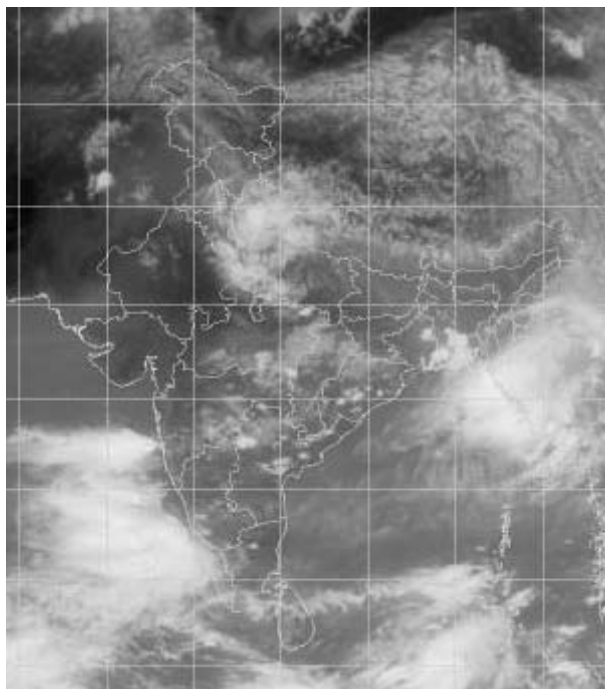
SELL NCDEX-July below 758 with target towards 748 second target near 744. Put stop loss near 763.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	13.06.07	12.06.07	Change
Delhi	Red Maize Bihar	735	735	-
Nizamabad (Bilty) New	Red Maize	740	725	+15
Devengere (Bilty)	Red Maize	740	725	+15
Bihar (Loose)	Red Maize	570	555	+15
Ahmedabad	Poultry feed mills	800	800	-
Ahmedabad	Starch	790	790	-
Pune	Starch Quality	800	800	-

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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