

MAIZE DAILY

04th June, 2007

SPOT MARKETS:

Maize prices remain steady to down on continuous arrivals of fresh crops from Bihar amidst lower demand from poultry and starch industries. Arrivals are increasing in Bihar. The stock position is good. However, demand from Kolkata particularly Siliguri is very low. Prices decline further by Rs.10/qrtl at Rs.540/qrtl at Naugachia mandi on the back of higher arrivals of around 7000-8000 bags. Total arrivals are reported around 40,000-50,000 bags from all over Bihar. Rake loading is continued from the state. However, no fresh deals are reported. Maize prices remain flat in Maharashtra and Ahmedabad mandis on subdued demand amidst steady arrivals. Ahmedabad mandis are witnessing continuous arrivals from Maharashtra. Delhi and its surrounding markets are also witnessed bearish tone and maize prices tarded between Rs.750-755/qrtl. on the back of arrivals around 4-5 motors by road daily. Bearish tone of bajra has added further weakness. Prices are likely to remain weak unless the fresh demand comes from poultry and starch industries.

FUTURES MARKETS:

Maize futures at NCDEX traded rangebound with slightly weak inclination following a mix opening. Increased buying interest at lower level has supported the futures. The most active June contract open weak at Rs.731.5 a qrtl as against the previous closing of Rs.733.5 per qrtl. The contract tested high at Rs.734.5/qrtl. The prices finally settled down by 0.14% at Rs.732.5/qrtl. The volumes as well as Open Interests have 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 higher around 2.85 MT
3. 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	01.06.07	02.06.07	Change
Delhi	Red Maize Bihar	755	750-755	-
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	705	705	-
Devengere (Bilty)	Red Maize	705-710	705-710	-
Bihar (Loose)	Red Maize	550	540	-10
Ahmedabad	Poultry feed mills	735	735	-
Ahmedabad	Starch	730	730	-
Pune	Starch Quality	740	740	-

TECHNICALS:

Candlestick pattern shows an indecisive market with a tendency to remain in the narrow range-bound trading between Rs 726-736 per quintal. Prices closed below the EMA's. RSI, Stochastic are in neutral region. MACD is in negative zone and moving upwards. If the price can break the resistant point of 736 it will go above. Otherwise the good strategy is to stay away from the market.

NCDEX Maize July Contract

O 731.50 H 734.50 L 731.50 C 732.50 V 380112,830 -1

EMA(9) 732.91 (18) 735.68



SUPPORT / RESISTANCES:

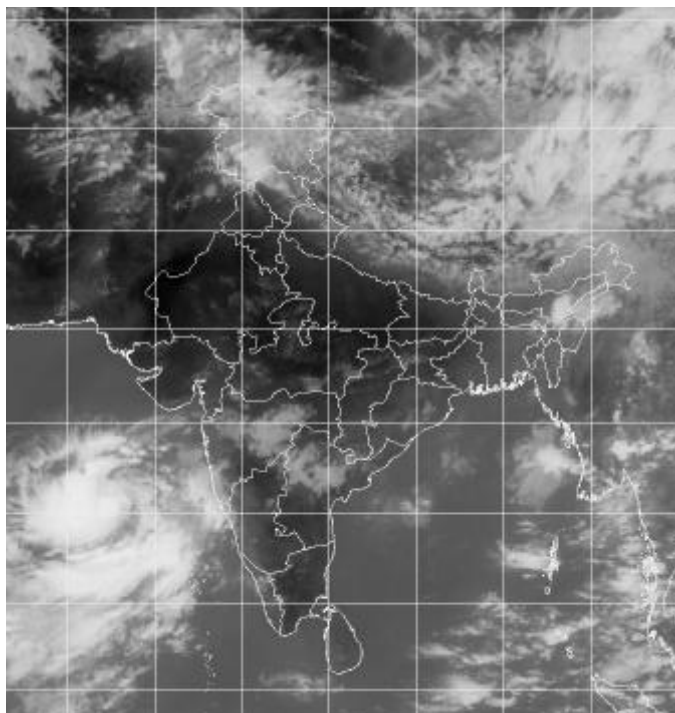
Month	S2	S1	PCP	R1	R2
June	720	725	732.5	740	745

RECOMMENDATION:

Stay away from the markets.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (02.06.07)



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 (02.06.07)

- ✓ Yesterday's well marked low pressure area over east-central Arabian Sea has intensified into a deep depression and lay centred at 0830 hrs. IST of today, the 2nd June 2007 near lat. 15.0 °N and long. 67.5°E about 700 kms southwest of Mumbai. The system is likely to intensify further and move slowly in a west-northwesterly direction. It is not likely to affect Indian coast. An off-shore trough extends from the centre of deep depression over east-central Arabian Sea to southeast Arabian Sea. Under its influence, scattered rain/thundershowers likely along the west coast during next 48 hrs. Scattered to fairly widespread rainfall activity is likely to continue over northeastern States during next 3 days. Severe heat wave conditions are prevailing over Bihar and adjoining West Bengal. They are likely to continue during next 2-3 days and may extend into some more parts of east India. Day temperatures are also likely to increase over northwest & central India.

Warning (for next 48 hrs.)

- ✓ Isolated heavy to very heavy rainfall is likely over Konkan & Goa, Coastal Karnataka, Kerala and Lakshadweep Islands.

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

- ✓ Fairly widespread rainfall activity likely over northeastern states.

Source: IMD (GOI)

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