

MAIZE DAILY

30th June, 2007

SPOT MARKETS:

Maize trades flat around Rs. 750/qrtl ex-godown and Rs.736/qrtl in station delivery in Delhi mandis this week amidst steady arrivals of around 4 motors from Bihar. One rake arrivals are reported from Bihar during Friday. The rakes arrivals from Bihar decline sharply in the week on lower demand due to inferior quality of fresh stocks in the state. The demand from Punjab remained down on local summer maize crops arrivals from Nanaksar and Hoshiarpur districts. According to the trade sources around 2000 bags arrivals are seen from the two districts on daily basis. Further, bearish tone of bajra (Rs.628/qrtl) has pressurized the maize tone. Bihar mandis witnessed steady sentiments on thin trading activities. Arrivals remained lower around 200bags in Naugachia mandi. However, according to trade source, there is an ample stock in the state and arrivals likely to increase at higher price levels as small and marginal farmers wont be able to hold their stocks for longer time. IGC has reduced the global maize production forecast by 1 million tonnes to 750 million tonnes and world industrial use of corn is forecast to increase in coming days.

FUTURES MARKETS:

Maize futures at NCDEX traded mix following a weak opening. The most active July contract traded weak following a weak opening at Rs.773 a qtl. as against the previous closing of Rs.773.5 a qtl. and traded in the range of Rs.773-776/qrtl. However, the contract settled marginally up by 0.20% at Rs.775/qrtl. The volumes have decreased whereas open Interests have increased marginally during the session.

PRICE DRIVERS:

Bullish:

1. Lower arrivals amidst some demand from starch and poultry industries
2. Acreage under kharif maize crops down 4.78 lakh hectare against 5.59 lakh hectare year ago period

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. However, very heavy rainfalls and water stagnation are not desirable

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	29.06.07	28.06.07	Change
Delhi	Red Maize Bihar	750	750	-
Nizamabad (Bilty) New	Red Maize	780	780	-
Devengere (Bilty)	Red Maize	770	770	-
Bihar (Loose)	Red Maize	590-595	590-595	-
Ahmedabad	Poultry feed mills	855	860	-5
Ahmedabad	Starch	850	850	-
Pune	Starch Quality	850	850	-

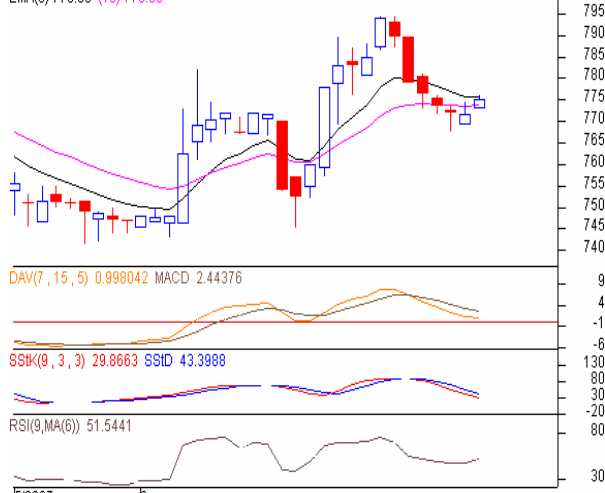
TECHNICALS:

A small bullish candle with upper shadow is indicating selling interest at higher price levels. Prices have closed above the 9 days EMA while the MACD is falling further in positive zone. Stochastic is falling in neutral region. Only RSI is moving up in neutral zone, reflecting some strength in the market. Maize is likely to trade with firm bias.

NCDEX Maize July Contract

O 773.00 H 776.00 L 773.00 C 775.00 V 1,380 I 15,510 +3.5

EMA(9) 775.66 (18) 773.68



SUPPORT / RESISTANCES:

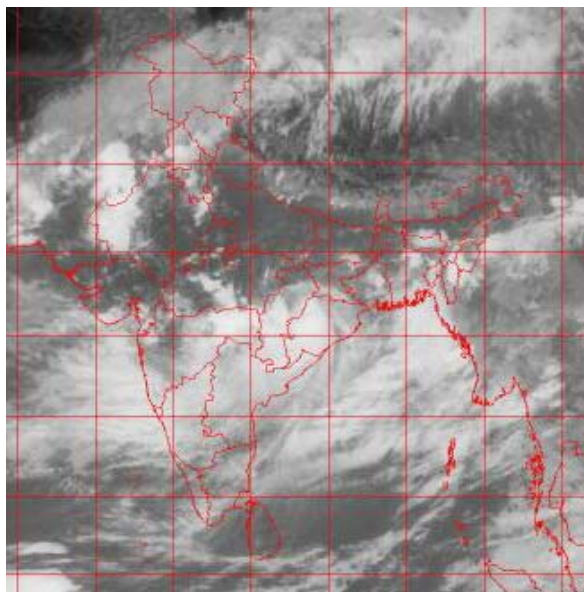
Month	S2	S1	PCP	R1	R2
July	766	768	775	781	785

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 (29.06.07)



Monsoon watch

- Southwest monsoon has further advanced into the remaining parts of Madhya Pradesh & Uttar Pradesh, most parts of East Rajasthan, some parts of west Rajasthan and some more parts of Haryana (including Delhi) and Punjab. Northern limit of monsoon passes through Barmer, Jodhpur, Ajmer, Jaipur, Narnaul, Rohtak, Ludhiana and Amritsar..

Chief Features (29.06.07)

- ✓ Yesterday's deep depression crossed Orissa coast near Puri and lay centered at 0830 hours IST of today east of Bhubaneswar. The system is likely to move in a northwesterly direction and weaken gradually. Under its influence, widespread rainfall with scattered heavy to very heavy falls and isolated extremely heavy falls (> 25 cms) are likely over Andhra Pradesh and Orissa during next 24 hours and over Chhattisgarh, Vidarbha and East Madhya Pradesh from tomorrow onwards for another 24 hours. As the system is likely to move northwestwards, the enhanced rainfall belt with scattered heavy to very heavy falls and isolated extremely heavy falls (> 25 cms) is likely to shift to southwest Madhya Pradesh and Gujarat state on 1st & 2nd July. Under the influence of an off shore trough and strong low level jet over Arabian Sea, widespread rainfall with scattered heavy to very heavy falls and isolated extremely heavy falls (> 25 cms.) are likely over Konkan & Goa, Madhya Maharashtra during next 48 hours. This enhanced rainfall activity is likely to continue over this region till 2nd July due to approach of the present system over Orissa.

Warning (for next 48 hrs.)

- Scattered heavy to very heavy falls and isolated extremely heavy falls (> 25 cms.) are likely over Andhra Pradesh and Orissa during next 24 hours and over Chhattisgarh, Vidarbha and East Madhya Pradesh from tomorrow onwards for another 24 hours. Squally winds speed reaching 55-65 kmph are likely along and off north Andhra Pradesh and Orissa coast during next 12 hours. Sea conditions will be very rough to high. Fishermen are advised not venture into sea. Scattered heavy to very heavy falls and isolated extremely heavy falls (> 25 cms.) are likely over Konkan & Goa, Madhya Maharashtra during next 3-4 days.

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

- Decrease in rainfall activity over east & central India. Enhanced rainfall activity with scattered heavy to very heavy falls and isolated extremely heavy falls is likely over Gujarat state, Konkan & Goa and Madhya Maharashtra.

Source: IMD (GOI)

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