

■ MAIZE

■ June 30, 2007

Domestic Market Recap

Maize trades steady around Rs. 750/qtl ex-godown and Rs.736-738/qtl in station delivery in Delhi mandis this week amidst lower arrivals of around 3 motors from Bihar. One rake arrivals are reported from Bihar during Friday. Of that around 50% are sold towards Haryana. Rest 50% are remained unsold because of poor quality and kept in godown. The demand from Punjab remained down on local summer maize crops arrivals from Nanaksar and Hoshiarpur districts. According to the trade sources around 18000-2000 bags arrivals are seen from the two districts on daily basis. Further, bearish tone of bajra (Rs.625-628/qtl) has pressurized the maize tone. Bihar mandis witnessed steady to weak sentiments and price remained at 590/qtl amidst thin trading activities. Arrivals remained lower around 300bags in Naugachia mandi. Ahmedabad mandis witnessed 2 rakes arrivals of maize from Bihar. The Bihar crops are quoted Rs.15-20/qtl lower prices as against the local crop. 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.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		29.06.07	30.06.07		
Delhi (ex-godown)	Red Maize Bihar	750	750	-	3 motors
Nizamabad (Bilty)	Red Maize	780	780	-	
Devengere (Bilty)	Red Maize	770	770	-	
Naugachia, Bihar (Loose)	Red Maize	590-595	590	-5	300 bags
Ahmedabad	Poultry feed mills	855	850	-5	1000 bags
Ahmedabad	Starch	850	850	-	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	825	830	+5	

International Futures Quotes (as of June 29, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
July 2007	336.00	344.00	323.00	329.50	-10.00
September 2007	347.00	353.50	334.00	340.00	-10.00
December 2007	353.00	363.00	344.00	350.75	-7.50

International Market Recap**CBOT Corn Futures Settled Down**

CBOT corn futures settled down Friday on higher-than-expected 2007 corn planted acreage estimate from the USDA. July corn fell 10 cents to \$3.295 per bushel, September also declined 10 cents to \$3.40 per bushel, and December fell 7.5 cents to \$3.508 per bushel. The USDA adjusted planted acreage up by 2.434 million acres from the March intensions report which was the largest adjustment higher since 1971. The USDA indicated that producers intend to plant 92.888 million acres of corn this season as compared with the average trade estimate of 90.618 million acres (range 89.85-91.7) and compared with the March USDA preliminary forecast of 90.454 million acres.

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FUTURES MARKETS:

Maize futures at NCDEX traded up following a mix opening. The most active July contract traded up following a firm opening at Rs.778 a qtl. as against the previous closing of Rs.775 a qtl. and traded in the range of Rs.776.5-780/qtl. Increased buying support settled up the contract by 0.45% at Rs.778.5/qtl. The volumes as well as open Interests have increased marginally during the session.

PRICE DRIVERS:**Bullish:**

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

Bearish:

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

TECHNICALS:

A doji candle has formed, implying some indecisive market sentiments. Price closed above the EMA's, reflecting some strength in the market. However, stochastic remains weak in neutral region although the RSI has turned upwards in neutral zone. MACD turned up slightly in positive region. Maize is likely to trade higher after a slightly weak opening.

NCDEX Maize July Contract**SUPPORT / RESISTANCES:**

Month	S2	S1	PCP	R1	R2
July	770	773	778.5	786	790

RECOMMENDATION:

BUY NCDEX- July above 776 with target towards 784, second target near 786. Put stop loss near 772.

Do not carry forward the position until the next day.

Weather Impact Analysis

Rainfalls in the sowing stage of kharif crop are favourable. However, very heavy rainfalls and water stagnation are not desirable

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