

MAIZE DAILY

06th June, 2007

SPOT MARKETS:

Maize markets continue to observe easing prices pressured by healthy supply from Bihar and sluggish demand. Good harvest in Bihar from Rabi crop is ensuring healthy supply. Further the demand side is also not lending any support to the prices as end users have piled up sufficient stocks for near term need. Maize prices declined marginally in Delhi and its surrounding markets and traded between Rs.738/qtl. Opening up of roads connecting to UP ensured healthy supplies of around 4-5 motors. In addition to this one rake of maize is likely to reach by Wednesday from Bihar. Further, opening up of the national highways eased the supply concerns in Bajra, which maintained the recent bearish tone. The bajra prices hovered in the range of Rs.660-670/ qtl. Fresh supplies from the Rabi crop continues to hit the market yards in Bihar, where arrivals of around 40,000-50,000 bags from all over the state were seen today. In Naugachia mandi healthy arrivals of around 8000 bags after the cessation of rains helped pressure the prices to stay at Rs 740 a quintal. Maize prices inched marginally higher in Devengiree market on the back of slightly improved demand from Karnataka. The prices for Karnataka bilty maize increased from Rs 760 per quintal to Rs 765 per quintal during the day, whereas, the prices remained stand still in Ahmedabad and Pune. The prices are likely to remain steady to slightly weak in the short term, as the supplies are healthy enough to fulfil the subdued looking demand.

FUTURES MARKETs:

Maize futures at NCDEX surged Tuesday on the back renewed buying interest by traders after recent lean patch. The most active July contract opened the session on a weak note Rs 746 and then surged smartly to see the highs of Rs 773 per quintal. The prices finally settled off the highs at Rs 662.50 per quintal. The volumes traded and open interest both surged 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/qtl.

Bearish:

1. The fresh rabi crops arrivals are continued in Bihar
2. Rabi maize production likely to be higher around 2.85 MT

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	05.06.07	04.06.07	Change
Delhi	Red Maize Bihar	738	738-740	-
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	765	760	+5
Devengere (Bilty)	Red Maize	765	760	+5
Bihar (Loose)	Red Maize	540	540	-
Ahmedabad	Poultry feed mills	735	735	-
Ahmedabad	Starch	750	750	-
Pune	Starch Quality	750	750	-

TECHNICALS:

Charts are projecting bullish picture of maize. Long upper shadow of the candlestick shows tentativeness at higher levels. Prices closed above short term EMAs, which supports bulls. MACD has made bullish crossover in negative region. Stochastic is also supporting bulls.

NCDEX Maize July Contract



SUPPORT / RESISTANCES:

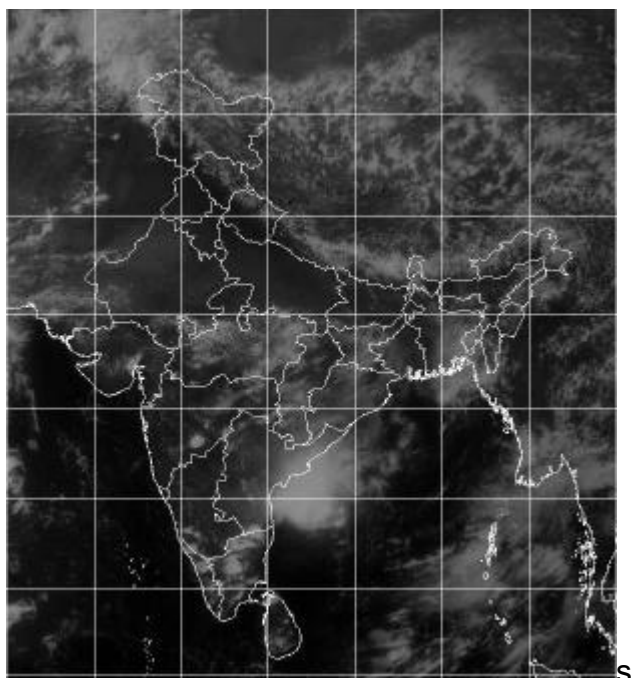
Month	S2	S1	PCP	R1	R2
July	750	754	764.5	777	780

RECOMMENDATION:

BUY July maize at NCDEX above Rs 765 with target of Rs 771, put stop loss at Rs 761

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (05.06.07)



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 (05.06.07)

- ✓ 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 hours. 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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