

## MAIZE DAILY

07<sup>th</sup> June, 2007

### SPOT MARKETS:

In Delhi, maize prices remain in pressure of continuous fresh arrivals from Bihar. Stock position is good as rake arrivals are continued. One rake already arrived Tuesday. Further, one rake likely to place Thursday. However, demand from poultry sector remain lower as most of the end users have covered their stocks for the coming two months and maize trades between Rs. 730-732/ qtl. The weak tone of bajra due to increasing arrivals from U.P. has also added some weakness in the market. However, the arrivals are seen declining around 30,000-35,000 bags from all over Bihar. Naugachia mandi witnessed lower arrivals around 4000 bags and prices quoted between Rs.540-542/qtl. It is learnt that farmers are not interest to release their full stock at this price levels. Rake loading is continued from the state. However, no fresh deals are reported. Maize prices improves in Ahmedabad mandis on some local demand amidst steady arrivals. Ahmedabad mandis are witnessing continuous arrivals from Maharashtra. The maize prices likely to remain soft until the arrival of Rabi crops in the market. However, around 70-75 per cent of maize produced in the country is grown during Kharif season, which will be sown with the arrival of monsoon.

### FUTURES MARKETS:

Maize futures at NCDEX traded rangebound with firm inclination following a mix opening. The most active June contract open firm at Rs.733 a qtl as against the previous closing of Rs.732.5 per qtl. The contract tested high at Rs.735/qtl. The prices finally settled up by 0.27% at Rs.734.5/qtl. The volumes have increased whereas Open Interests have declined during the session.

### PRICE DRIVERS:

#### Bullish:

1. Maize output this year is estimated down 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

### WEATHER:

Rainfall in the maturity stage is not conducive for the qualitative terms of the grains.

### TECHNICALS:

Candlestick pattern shows tentativeness at higher levels as depicted by long upper shadow of candlestick. Prices managed to close above short term EMAs, which supports bulls. Stochastic is running upward in normal region. Rising MACD in negative territory suggests decrease in bearish momentum. The volumes traded increased, whereas openinterest decreased during the session indicating some long liquidation at higher levels.

### NCDEX Maize July Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
July	751	755	769	782	877

### RECOMMENDATION:

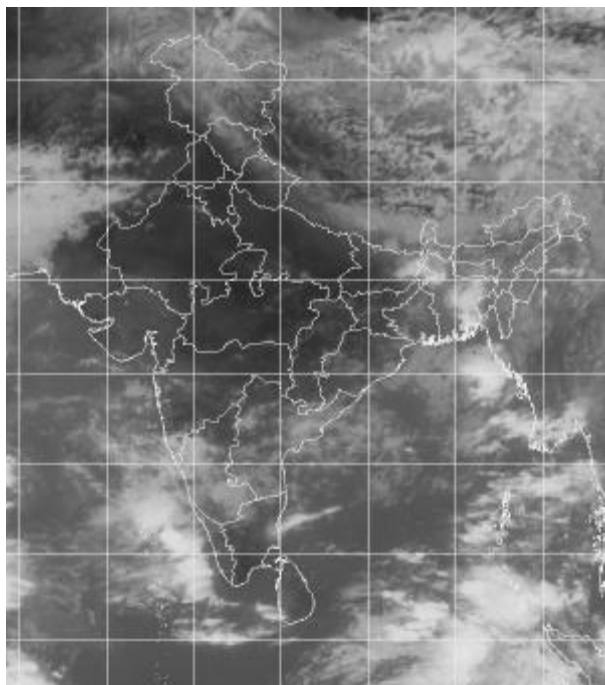
**BUY** NCDEX Maize for July delivery above Rs 770 with target of Rs 777 and then Rs 782, put stop loss at Rs 765

**Do not carry forward the position until the next day.**

### SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	05.06.07	06.06.07	Change
Delhi	Red Maize Bihar	738	730-732	-6
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	715	715-720	+5
Devengere (Bilty)	Red Maize	715	715	-
Bihar (Loose)	Red Maize	540	540-542	+2
Ahmedabad	Poultry feed mills	750	755-760	+10
Ahmedabad	Starch	750	750-760	+10
Pune	Starch Quality	740	750	+10

## 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)

- ✓ The Very Severe Cyclonic Storm (GONU) over northwest and adjoining central & northeast Arabian Sea moved west-northwestwards and lay centred at 1430 hrs. IST of today, the 5th June 2007 over northwest Arabian Sea near Lat. 21.5 °N and Long. 61.0°E, about 800 kms west-southwest of Dwarka (Gujarat). The system is likely to weaken and move in a northwesterly direction towards coast of OMAN. The current meteorological analysis suggests that rainfall activity is likely to remain subdued over south peninsula during next 2-3 days. Scattered to fairly widespread rainfall activity is likely to continue over northeastern States and Sub-Himalayan West Bengal & Sikkim during next 2-3 days and increase thereafter. The prevailing heat wave conditions over parts of Chhattisgarh, Jharkhand, Orissa and Vidarbha are likely to abate during next 1-2 days.

### Warning (for next 48 hrs.)

- ✓ Isolated heavy rainfall is likely over northeastern states.

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

- ✓ Increase in rainfall activity is likely over northeastern states.

Source: IMD (GOI)

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