

MAIZE DAILY

05th June, 2007

SPOT MARKETS:

Maize prices remain in pressure of continuous fresh arrivals from Bihar. Good availability of the crop from the Rabi season amidst lower demand from big units as most of the end users have covered their stocks for the coming two months are underpinning the tone. Maize prices decline further in Delhi and its surrounding markets and traded between Rs.735-740/qtl. on the back of arrivals around 4-5 motors by road daily. Unloading of rakes is continued in the station. Further 1 rake likely to come within a couple of days. Bearish tone of bajra has added further weakness. The bajra prices are currently traded at Rs.670-675/qtl. lower than last year. However, the current prices of maize are traded much high compared to the rates in last two years. Bihar mandis are witnessing good arrivals around 40,000-50,000 bags from all over Bihar. However, demand from Kolkata particularly Siliguri is very low. Prices quoted at Rs.540/qtl at Naugachia mandi on the back of arrivals of around 7000-8000 bags. 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 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	02.06.07	04.06.07	Change
Delhi	Red Maize Bihar	750-755	735-740	-15
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	705	705	-
Devengere (Bilty)	Red Maize	705-710	705-710	-
Bihar (Loose)	Red Maize	540	540	-
Ahmedabad	Poultry feed mills	735	735	-
Ahmedabad	Starch	730	750	+20
Pune	Starch Quality	740	750	+10

TECHNICALS:

Candlestick pattern shows thin trading activities. However, some buying interests are seen at lower price levels. Prices are still bogged in the narrow range of Rs 726-736 per quintal. Prices closed below 18 days EMA but above 9 days EMA. RSI, Stochastic are in neutral region. MACD is in negative zone and moving upwards. If the price can break above the upper end of the trading band at 736 it will go above. Otherwise the good strategy is to stay away from the market.

NCDEX Maize July Contract

O 733.00 H 734.50 L 731.00 C 734.50 V 1,540 I 12,290 +2
EMA(9) 733.23 (18) 735.56



SUPPORT / RESISTANCES:

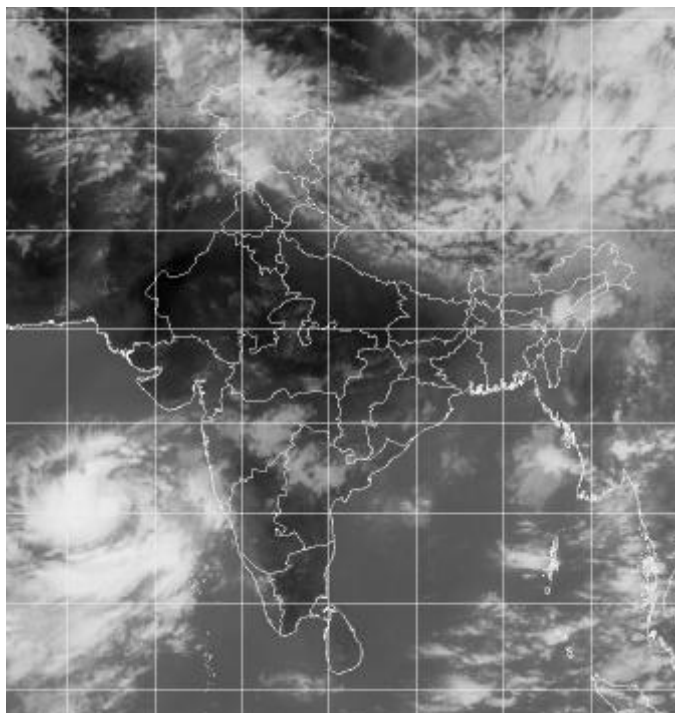
Month	S2	S1	PCP	R1	R2
June	724	728	734.5	740	745

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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