

MAIZE DAILY

12th June, 2007

SPOT MARKETS:

Maize prices at Delhi mandis remain marginally firm by Rs.5/qrtl at Rs. 735/qrtl in Delhi ex-godown, while the rate is Rs.720/qrtl for railhead delivery on the scenario of continuous fresh arrivals from Bihar. However, the current prices of maize are traded much high compared to the rates in last two years. 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. The weak tone of bajra due to increasing arrivals from U.P. has also added to sluggishness in the market. Price remained flat at Rs.550/qrtl in Naugachia mandi on the back of arrivals around 2500 bags. Reportedly 50% crops are still in the state. It is learnt that some exports, though in very small quantities, are taking place from Mumbai to Colombo through STC, MMTC and PEC. Exports to Bangladesh from Kolkata are also reported. No major change is expecting in maize prices in the coming days because of continuous arrivals, though some recovery is likely as rabi harvesting ends, as the total production for 2006-07 is estimated down at 13.85 million tonnes and demand at 14 million tonnes and around 70-75 per cent of the 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 bullish on increased buying interest at lower levels following a weak opening. The most active July contract open lower at Rs.767 a qtl. as against the previous closing of Rs.769/qtls. The prices finally settled up near day's high by 0.39% at Rs.772/qrtl. 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/qrtl.
3. Some exports are taking place towards Bangladesh and Colombo.

Bearish:

1. The fresh rabi crops arrivals are continued in Bihar
2. Bearish outlook of bajra on higher arrivals in coming days

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	09.06.07	11.06.07	Change
Delhi	Red Maize Bihar	725-730	735	+5
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	725	725-730	+5
Devengere (Bilty)	Red Maize	725	725	-
Bihar (Loose)	Red Maize	550	550	-
Ahmedabad	Poultry feed mills	755-760	755	-5
Ahmedabad	Starch	750-760	750-760	-
Pune	Starch Quality	750	750	-

TECHNICALS:

A marubozzo candle has formed, signaling positive tone in the markets. EMA patterns and MACD remain firm, indicating bullish sentiment in short and medium tone. Stochastic and RSI is rising slowly in neutral region. Maize is likely to trade range bound with firm inclination.

NCDEX Maize July Contract

O 767.00 H 772.00 L 767.00 C 772.00 V 1,280/116,320 +4.5

EMA(9) 764.34 (18) 761.54



SUPPORT / RESISTANCES:

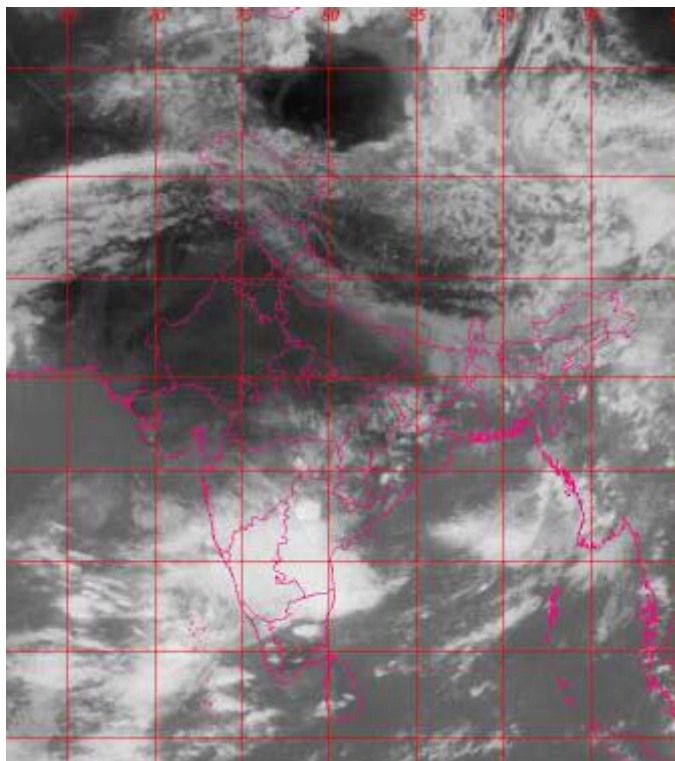
Month	S2	S1	PCP	R1	R2
July	762	767	772	780	782

RECOMMENDATION:

BUY NCDEX-July above 770 with target towards 776 second target near 779. Put stop loss near 767.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (07.06.07)



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 (07.06.07)

- ✓ The analysis of the current meteorological conditions suggest strong northwesterly surface winds are likely to continue over plains of northwest India during next 3 days. Under the present scenario day temperatures are likely to further increase and become 43-45 °C over this region. Fairly wide spread rainfall is likely to continue over northeastern states during next 48 hours and increase thereafter. Numerical Weather Prediction models suggest reorganization and strengthening of monsoon flow over Arabian Sea and Bay of Bengal during next 2-3 days.

Warning (for next 48 hrs.)

- ✓ Isolated heavy rainfall is likely over northeastern states, Coastal Karnataka, Kerala and Lakshadweep

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

- ✓ Increased rainfall activity is likely over northeastern states. Fairly wide spread rainfall activity likely along west coast.

Source: IMD (GOI)

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