

MAIZE DAILY

11th June, 2007

SPOT MARKETS:

Maize prices at Delhi mandis remain steady between Rs. 725-730/qlt in Delhi ex-godown, while the rate is Rs.715/qlt for railhead delivery during Saturday on the 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. The traders are reportedly availing 15% discount on railway freight on the purchase of maize from rural areas (as this sop is extended by the Railways), which has supported more dispatches from Bihar. 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/qlt in Naugachia mandi on the back of arrivals around 3000 bags. Reportedly 50% crops are still in the state. On June 07, stocks in NCDEX warehouses were down at 3558 MT as against last week's stocks of 4202 MT. 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. The maize prices likely to remain soft until the arrival of Rabi crops in the market.

FUTURES MARKETS:

Maize futures at NCDEX traded bearish on increased selling pressure at higher levels during late hours. following a weak opening. The most active July contract open lower at Rs.767.5 a qtl. as against the previous closing of Rs.772/qtls. The prices finally settled down near day's low by 0.58% at Rs.767.5/qlt. The volumes have declined whereas open Interests have increased 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/qlt.
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

WEATHER:

Rainfall in the maturity stage is not conducive for the qualitative

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	08.06.07	09.06.07	Change
Delhi	Red Maize Bihar	725-730	725-730	-
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	720	725	+5
Devengere (Bilty)	Red Maize	720	725	+5
Bihar (Loose)	Red Maize	550	550	-
Ahmedabad	Poultry feed mills	755-760	755-760	-
Ahmedabad	Starch	750-760	750-760	-
Pune	Starch Quality	750	750	-

TECHNICALS:

A gravestone doji has formed, signaling bearish tone in the markets. Trend reversal is very likely if a bearish engulfing candle formed in very next day. However, EMA patterns and MACD remain firm. Stochastic is rising slowly in neutral region while RSI is moving downwards. Maize is likely to trade range bound with weak inclination.

NCDEX Maize July Contract

O 767.50 H 771.00 L 767.00 C 767.50 V 770116,400 -4.5

EMA(9) 762.42 (18) 760.31



SUPPORT / RESISTANCES:

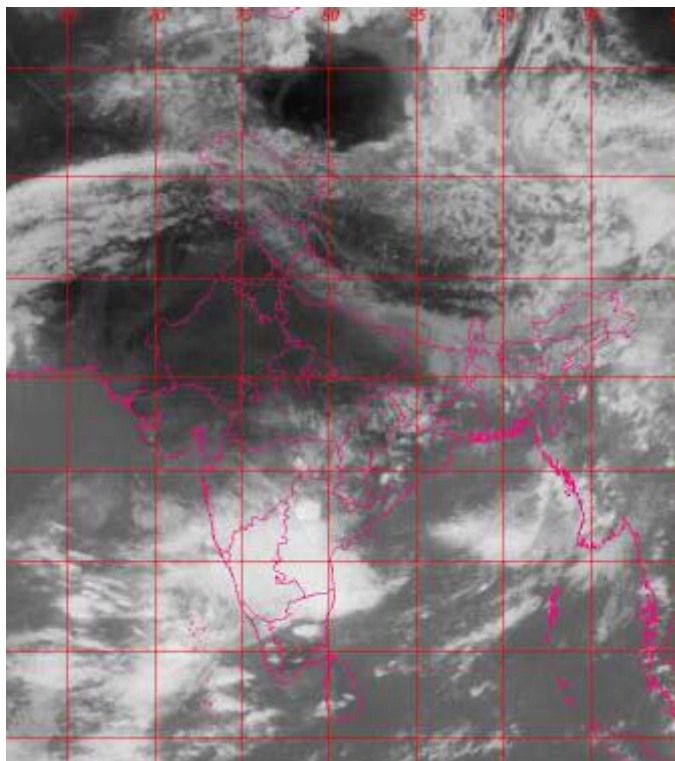
Month	S2	S1	PCP	R1	R2
July	757	760	767.5	774	778

RECOMMENDATION:

SELL NCDEX-July below 770 with target towards 765 second target near 762. Put stop loss near 773.

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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