

## MAIZE DAILY

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

### SPOT MARKETS:

Maize prices remained flat at Rs. 750 / qtl ex-godown basis and arrivals remained around 4 motors from Bihar. Steady demand amidst good stocks is underpinning the tone. Further, bearish tone of bajra is pressurising the maize sentiments. Bajra prices declined by Rs.15/qtl to Rs.630-635/qtl on higher arrivals around 12 motors from U.P. Maize price has increased in Bihar mandis on lower arrivals due to widespread of rains. The inferior quality on higher moisture content has limited the rakes demand. However, according to trade source, there is ample stocks in the state and arrivals likely to increase at higher price levels. The sentiment remained firm up in Maharashtra, Karnataka, A.P. and Ahmedabad mandis on good offtake from starch and poultry industries amidst lower arrivals. Higher prices of tapioca starch diverted the demand towards maize starch and this is added some firmness in the market. The arrivals are lower and reported from stockists. Widespread rainfalls have limited the market activities in Maharashtra. According to trade sources, the stock position in Karnataka is around 35 lakhs bags whereas, in A.P. it is 15 lakh bags.

### FUTURES MARKETS:

Maize futures at NCDEX traded bearish following a mix opening. The most active July contract traded bearish following a lower opening at Rs.780.5 a qtl. as against the previous closing of Rs.782 a qtl. and traded in the range of Rs.773-781/qtl. Increased selling pressure settled down the contract by 0.73% at Rs.776.5/qtl. The volumes have increased whereas open Interests have decreased during the session.

### PRICE DRIVERS:

#### Bullish:

1. Lower arrivals amidst some demand from starch and poultry industries
2. Acreage under kharif maize crops down 4.78 lakh hectare against 5.59 lakh hectare year ago period

#### Bearish:

1. Bearish outlook of bajra on higher arrivals in coming days
2. Kharif crop showing is likely to be supported by steady progress of monsoon

### WEATHER:

Rainfall in the sowing stage of kharif crop are favourable for the crop.

### TECHNICALS:

A bearish candle has formed, showing bear dominated the market. Price closed below the 18 day's EMA, indicating weakness in short and medium term. The MACD has continued to dip in positive region. The stochastic has made a bearish crossover in overbought region and fallen further while the RSI is in neutral region and moving downwards. Maize is likely to trade with bearish inclination following a steady to firm opening.

### NCDEX Maize July Contract

O 780.50 H 781.00 L 773.00 C 776.50 V 5,060 I 16,320 -2.5  
EMA(9) 779.28 (18) 774.03



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
July	766	770	776.5	780	785

### RECOMMENDATION:

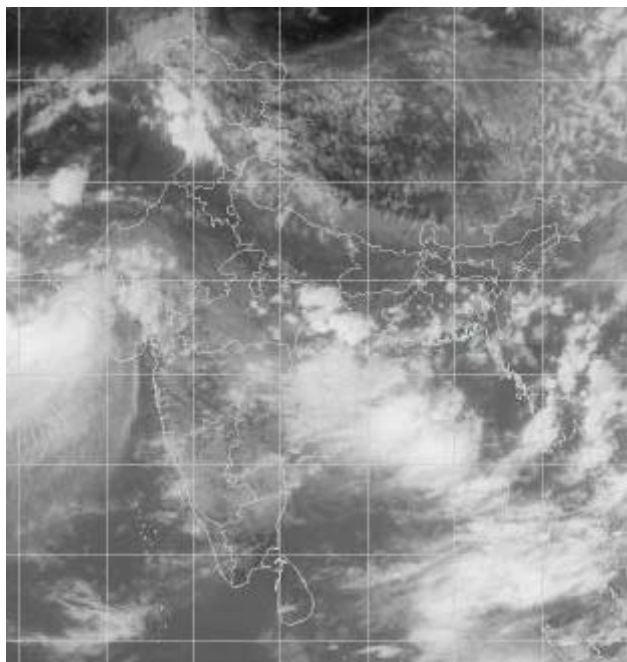
**SELL NCDEX-July** below 778 with target towards 776, second target near 770. Put stop loss near 781.

Do not carry forward the position until the next day.

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

Markets	Variety	25.06.07	23.06.07	Change
Delhi	Red Maize Bihar	750	750	-
Nizamabad (Bilty) New	Red Maize	780	780	-
Devengere (Bilty)	Red Maize	775	775	-
Bihar (Loose)	Red Maize	590	585	+5
Ahmedabad	Poultry feed mills	860	855	+5
Ahmedabad	Starch	860	845	+15
Pune	Starch Quality	840	830	+10

## SATELLITE PICTURE OF MONSOON PROGRESS (25.06.07)



### Monsoon watch

- ✓ Southwest monsoon has further advanced into the remaining parts of Gujarat, some parts of southeast Rajasthan and south Madhya Pradesh, some more parts of Chhattisgarh and remaining parts of Vidarbha, Orissa and Jharkhand. Northern limit of monsoon passes through lat. 25.0 °N/ long. 60.0 E°, lat. 25.0 °N/ long. 65.0 E°, Deesa, Idar, Hoshangabad, Pendra, Ambikapur, Varanasi, Sultanpur, Baharaich and Mukteshwar.

### Chief Features (25.06.07)

- ✓ Numerical Weather Prediction models continue to suggest formation of a fresh low pressure area over northwest Bay of Bengal off Orissa coast by tomorrow. Subsequently, the system is likely to concentrate into a depression. Widespread rainfall with isolated heavy falls are likely over Orissa during next 1-2 days. Subsequently, the rainfall activity is likely to enhance further over Orissa and also extend into adjoining north Andhra Pradesh, Chhattisgarh, Vidarbha and Madhya Pradesh. The current meteorological analysis suggest that scattered rain/thundershowers are likely over Western Himalayan region during next 3 days. Isolated to scattered rain/thundershowers are also likely over plains of northwest India. The well marked low pressure area over northeast Arabian Sea concentrated into a depression and lay centred at 0300 UTC of today, the 25th June 2007, near lat. 23.5 °N and long. 67.5 E°, about 150 km west-northwest of Naliya. The system is likely to intensify further and move in a west-northwesterly direction initially.

### Warning (for next 48 hrs.)

- ✓ Isolated heavy rainfall likely over Coastal Karnataka, Konkan & Goa, Gujarat and Orissa

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

- Enhanced rainfall activity is likely over Orissa, Chhattisgarh, north Andhra Pradesh, Vidarbha, Madhya Pradesh.

Source: IMD (GOI)

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