

## MAIZE DAILY

02<sup>nd</sup> June, 2007

### SPOT MARKETS:

Maize prices remain steady to down on continuous arrivals of fresh crops from Bihar amidst lower buying support. According to trade sources, about 60% of fresh crops are still in Bihar. Maize trades flat at Rs.550/mtl at Naugachia mandi on the back of higher arrivals of around 4000-5000 bags. Total arrivals are reported around 25,000 bags from all over Bihar. Maize prices decline in Maharashtra and Ahmedabad mandis on subdued demand amidst steady arrivals. Ahmedabad mandis are witnessing continuous arrivals from Maharashtra. Delhi and its surrounding markets are also witnessed bearish tone and maize prices declined further at Rs.755/mtl. Stock position is good, as three fresh rakes have arrived in the mandis during the week along with 4-5 motors by road daily. Bearish tone of bajra has added further weakness. The prices are also decline in Nizamabad and Devengere market on meagre demand. However, traders are optimistic about some recovery in prices as the demand from poultry sector of Tamilnadu likely to support the market in the coming days.

### FUTURES MARKETS:

Maize futures at NCDEX traded rangebound with slightly firm inclination following a mix opening. Increased buying interest at lower level has supported the futures. The most active June contract open weak at Rs.730 a mtl as against the previous closing of Rs.731.5 per mtl. The contract tested high at Rs.733.5/mtl. The prices finally settled up by 0.27% at Rs.733.5/mtl. 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/mtl.

#### Bearish:

1. The fresh rabi crops arrivals are continued in Bihar
2. Rabi maize production likely to be higher around 2.85 MT
3. Bearish outlook of bajra on higher arrivals in coming days

### WEATHER:

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

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

Markets	Variety	31.05.07	01.06.07	Change
Delhi	Red Maize Bihar	760	755	-5
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	710	705	-5
Devengere (Bilty)	Red Maize	710	705-710	-
Bihar (Loose)	Red Maize	550	550	-
Ahmedabad	Poultry feed mills	735	735	-
Ahmedabad	Starch	730	730	-
Pune	Starch Quality	740	740	-

### TECHNICALS:

Candlestick pattern shows an indecisive market with a tendency for trend reversal. Today's closing prices would confirm the direction of the move. Prices closed above the 9 days EMA while the MACD has risen towards positive region. RSI and Stochastic are in normal region and moving upwards. Prices are likely to move range bound with firm undertone.

### NCDEX Maize July Contract

O 730.00 H 733.50 L 729.00 C 733.50 V 1,390 I 12,980 +1.5

EMA(9) 733.01 (18) 736.05



### SUPPORT / RESISTANCES:

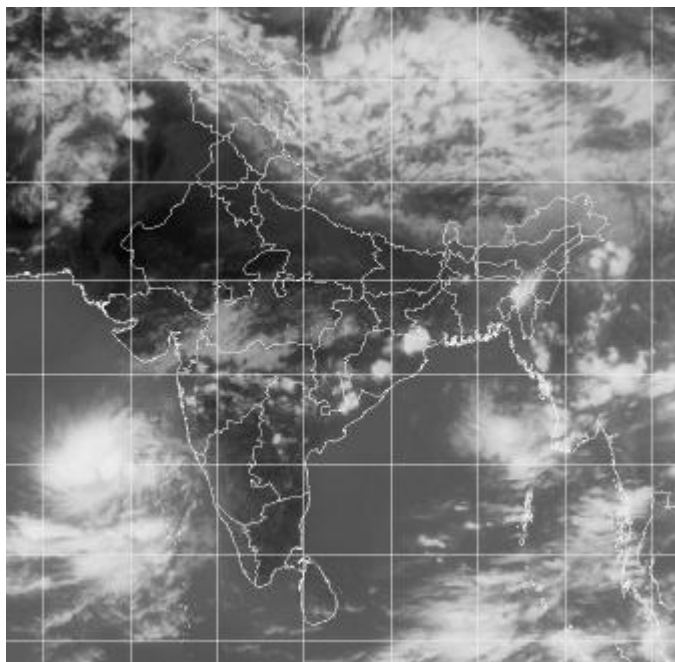
Month	S2	S1	PCP	R1	R2
June	728	732	733.5	745	750

### RECOMMENDATION:

**BUY NCDEX-June** above 735 with target towards 741 second target near 744. Put stop loss near 732.

Do not carry forward the position until the next day.

## SATELLITE PICTURE OF MONSOON PROGRESS (01.06.07)



### 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 (01.06.07)

- ✓ The off-shore trough extends from the centre of low pressure area over east-central Arabian Sea to southeast Arabian Sea. Under its influence, scattered rain/thundershowers likely along the west coast. Scattered to fairly widespread rainfall activity is likely to continue over northeastern States during 3 days. 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 northeast. Day temperatures are also likely to increase over northwest & central India. Karnataka coast to Kerala coast with an embedded upper air cyclonic circulation over east central Arabian Sea off Karnataka coast. Under their influence fairly wide spread rainfall with isolated heavy to very heavy falls are likely over Kerala, Coastal Karnataka and Lakshadweep during next 2-3 days.

### 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 is likely along west coast.

Source: IMD (GOI)

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