

## MAIZE DAILY

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

### SPOT MARKETS:

Maize spot market sentiments are continued bearish in Delhi mandis on the pressure of continuous fresh arrivals from Bihar. Stock position is good as rake arrivals are continued. One rake already arrived Thursday. Further, more rakes are likely to place in the week. The traders are reportedly avail of 15% discount on railway freight on the purchasing from rural areas and this has supported more purchasing from Bihar. However, demand from poultry sector remain lower as most of the end users have covered their stocks for the coming two months and maize trades at Delhi mandis between Rs. 730/ qtl. as per godown rate. However, the station rate is Rs.720/qtl. The weak tone of bajra due to increasing arrivals from U.P. has also added some weakness in the market. However, the arrivals are seen declining around 30.000bags from all over Bihar. Naugachia mandi witnessed lower arrivals around 3000 bags and prices quoted up at Rs.550/qtl. It is learnt that some export though in very small amount are taking place from Mumbai towards the destination of Colombo through STC, MNTC and PEC. Some exports towards Bangladesh from Kolkata are also learnt. However, it is expected that the maize prices likely to remain soft until the arrival of Rabi crops in the market.

### FUTURES MARKETS:

Maize futures at NCDEX traded bullish following a steady to firm opening. The most active July contract open steady at Rs.768 a qtl. The contract tested high at Rs.775/qtl. The prices finally settled up by 0.33% at Rs.770.5/qtl. The volumes have as well as 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/qtl.
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 terms of the grains.

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

Markets	Variety	06.06.07	07.06.07	Change
Delhi	Red Maize Bihar	730-732	730	-2
Delhi	U.P. Gajar Maize	-	-	-
Nizamabad (Bilty) New	Red Maize	715-720	720	-
Devengere (Bilty)	Red Maize	715	720	+5
Bihar (Loose)	Red Maize	540-542	550	+8
Ahmedabad	Poultry feed mills	755-760	755-760	-
Ahmedabad	Starch	750-760	750-760	-
Pune	Starch Quality	750	750	-

### TECHNICALS:

Candlestick pattern shows indecisive tone. However, buying bulls dominated the market at lower levels. EMA patterns and MACD have turned bullish. RSI is near overbought region, while stochastic is rising in neutral region. Maize is likely to trade bullish after a firm opening. Buy only after confirming strength.

### NCDEX Maize July Contract

O 768.00 H 774.50 L 765.00 C 770.50 V 4,620 I 16,130 +1.5

EMA(9) 758.44 (18) 758.00



### SUPPORT / RESISTANCES:

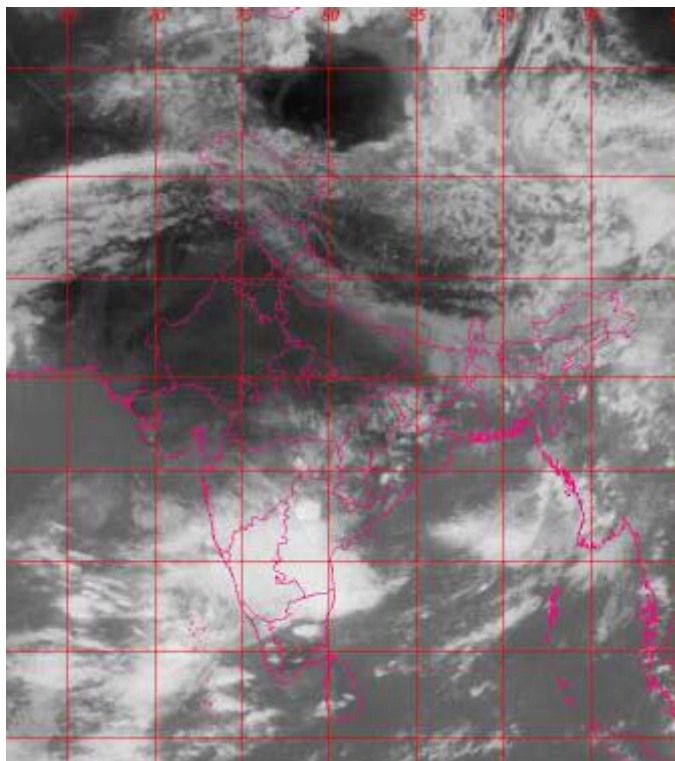
Month	S2	S1	PCP	R1	R2
July	760	764	770.5	780	785

### RECOMMENDATION:

**BUY NCDEX-July** above 767 with target towards 775 second target near 779. Put stop loss near 763.

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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