

MAIZE DAILY

23rd June, 2007

SPOT MARKETS:

In Delhi mandis the prices remained steady between Rs. 740-745/qlt ex-godown basis on the back of lower arrivals of around 2 motors from Bihar. Good maize stocks amidst steady demand are underpinning the tone. Further, bearish tone of bajra added weakness in maize prices. Some summer maize crops arrivals are reported from Nanaksar and Hoshiarpur and Pathankot districts of Punjab. Maize sentiment remained flat at higher side in Maharashtra, Karnataka, A.P. and Ahmedabad mandis on good offtake from starch industries amidst lower arrivals. The stock position is lower in the southern states and sowing of kharif crop is continuing in major producing states such as Karnataka and Maharashtra. However, presently kharif maize sowing in the country is lagging behind by 20.5% at 3.99 lakh ha so far as on 15.06.07 as against the acreage of 5.02 lakh ha during corresponding period of last year. The last year acreage was higher because of early arrivals of monsoon. The normal area under kharif maize is around 62.16 lakh ha. The area covered so far is 6.4% of normal area and is expected to pick up as the monsoon progresses. It is very likely that higher prices of maize this year as compared to last year on increasing global as well as domestic demand translate to higher sowing in the year 2007/08. Higher prices of tapioca starch as against maize starch added to firmness/revival of demand.

FUTURES MARKETS:

Maize futures at NCDEX traded bearish following a weak opening. The most active July contract traded bearish following a weak opening at Rs.793 a qtl. as against the previous closing of Rs.793.5 a qtl. and traded in the range of Rs.787-794.5/qlt. Increased selling pressure at higher levels settled the contract lower by 0.53% at Rs.789.5/qlt. The volumes as well as 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 20.5% as against last year so far

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:

TECHNICALS:

Candlestick pattern shows some weakness at higher levels. Price could not break out the strong resistance level of 794. However, the EMA patterns and the MACD indicate that medium-term uptrend is intact. However, the stochastic and RSI are both in overbought region, indicating vulnerability to a short-term correction in prices. If the prices cross the 794 level market will go above.

NCDEX Maize July Contract

O 793.00 H 794.50 L 787.00 C 789.50 V 2,800 116,540 -4.5

EMA(9) 780.22 (18) 773.12



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
July	787	790	789.5	805	810

RECOMMENDATION:

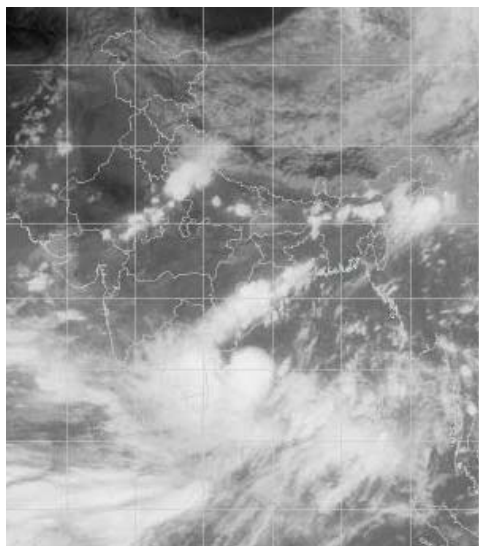
BUY NCDEX-July above 794 with target towards 801, second target near 805. Put stop loss near 790.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	22.06.07	21.06.07	Change
Delhi	Red Maize Bihar	745	745	-
Nizamabad (Bilty) New	Red Maize	780	780	-
Devengere (Bilty)	Red Maize	775	775	-
Bihar (Loose)	Red Maize	580-585	580-585	-
Ahmedabad	Poultry feed mills	855	855	-
Ahmedabad	Starch	840	840	-
Pune	Starch Quality	830	830	-

SATELLITE PICTURE OF MONSOON PROGRESS (21.06.07)



Monsoon watch

- ✓ Southwest monsoon has further advanced into some more parts of central Arabian Sea, Konkan & Goa, some parts of Madhya Maharashtra & Marthawada, some more parts of Telangana, Jharkhand, Bihar & East Uttar Pradesh and Uttarakhand. Northern limit of monsoon passes through lat. 17.0°N/ long. 60.0E°, lat. 17.0°N/ long. 70.0E°, Ratnagiri, Parbhani, Ramagundam, Gopalpur, Balasore, Ranchi, Varanasi, Sultanpur, Baharich and Mukteshwar. Conditions are favourable for further advance of southwest monsoon into some more parts of Maharashtra, Chhattisgarh, Orissa, Uttar Pradesh and Uttarakhand during next 2-3 days.

Chief Features (21.06.07)

- ✓ As predicted, yesterday's well marked low pressure area over east-central & adjoining west-central Bay of Bengal has concentrate into a depression and lay centered at 0830 hrs IST of today, the 21st June 2007 over west-central Bay of Bengal near Lat. 15.5 N/ Long 86.0 E about 430 km east-southeast of Kakinada. The system is likely to intensify further and move in a west-northwesterly direction and cross north Andhra Pradesh coast between Narsapur and Vishakhapatnam by tomorrow afternoon. Under its influence, widespread rains with scattered heavy to very heavy falls are likely over Andhra Pradesh, north coastal Tamil Nadu and Puducherry during next 48 hours. Isolated extremely heavy rains (> 25 cm) are also likely over central districts of Coastal Andhra Pradesh and Telangana during the same period. Subsequently, with the likely west-northwestward movement of the system, the enhanced rainfall belt is likely to shift to Maharashtra, Goa, Karnataka, south Madhya Pradesh, Gujarat and southeast Rajasthan during 23 to 26 June. Southwest monsoon is likely to advance further into remaining parts of Orissa, Chhattisgarh & Maharashtra, entire Gujarat and parts of Madhya Pradesh and Rajasthan during next 4-5 days. Under the influence of an off-shore trough widespread rainfall with isolated heavy to very heavy falls are likely to continue along the west coast during next 4-5 days.

Warning (for next 48 hrs.)

- ✓ Heavy to very heavy rainfall is likely at a few places over Andhra Pradesh, north coastal Tamil Nadu. Isolated extremely heavy rainfall (> 25 cm) are also likely over central districts of Coastal Andhra Pradesh and Telangana. Isolated heavy to very heavy rainfall is also likely over Kerala, Karnataka, Lakshadweep, coastal Orissa and Andaman & Nicobar Islands. In view of squally winds speed reaching 50-60 kmph, fishermen of Andhra Pradesh and north Tamil Nadu & Puducherry coast are advised not to venture into the sea.

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

- ✓ Increase in rainfall activity likely over Maharashtra, Goa, Gujarat State and southeast Rajasthan. Decrease in rainfall activity likely over Andhra Pradesh, Orissa, Chhattisgarh and Tamil Nadu.

Source: IMD (GOI)

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