

MAIZE DAILY

15th June, 2007

SPOT MARKETS:

Maize prices at Delhi mandis improve marginally by Rs.5/qrtl at Rs. 740/qrtl in Delhi ex-godown basis, while the rate is Rs.725/qrtl for railhead delivery. However, bajra sentiments remained down due to increasing arrivals from U.P.. The development of monsoon progress will decide the further course of action in the market. The actors in the market are carefully monitoring the progress of monsoon in the two major kharif maize producing states i.e; Mahrastra and Karnataka. The availability of maize crop in the country is depending on the crop size from kharif season as around 70-75% of the total production in the country comes from that season. The progress in sowing of kharif monsoon will depend on monsoon showers. However, widespread of rainfalls in Bihar has limited the market activities and increased the moisture content of fresh crops. Higher moisture content is limiting factor for the good demand from poultry sectors. Some export is going on towards Moscow and Bangladesh and increase in export possibility is cant rule out because of higher global price. UAE, the major importer of egg from India has recently lifted the ban on Indian egg export to this country and that will no doubt increase the Indian egg export in coming days. Rising egg export will no doubt support the maize sentiments in near terms.

FUTURES MARKETS:

Maize futures at NCDEX traded sharply bearish initially. However, increased buying interest at lower levels recovered the futures from some of the losses. The most active July contract open lower at Rs.757.a qtl. as against the previous closing of Rs.770/qtls. The prices finally settled much below by 2.34% at Rs.752.5/qrtl. The volumes have increased whereas the open Interests have declined during the session.

PRICE DRIVERS:

Bullish:

1. Some exports are taking place towards Bangladesh and Colombo.

Bearish:

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

WEATHER:

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

TECHNICALS:

A long lower shadow has formed, indicating buying interest at lower levels. Prices remain below the EMA's. The MACD is moving southwards towards negative zone. The Stochastic is falling further following a bearish crossover while the RSI is flatter in normal zone. All indicators reflect a steady to weak tone. Maize is likely to trade range bound with bearish bias.

NCDEX Maize July Contract

O 757.00 H 757.00 L 745.00 C 754.00 V 4,220 I 16,370 O

EMA(9) 761.53 (18) 760.88



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
July	745	748	752.5	759	762

RECOMMENDATION:

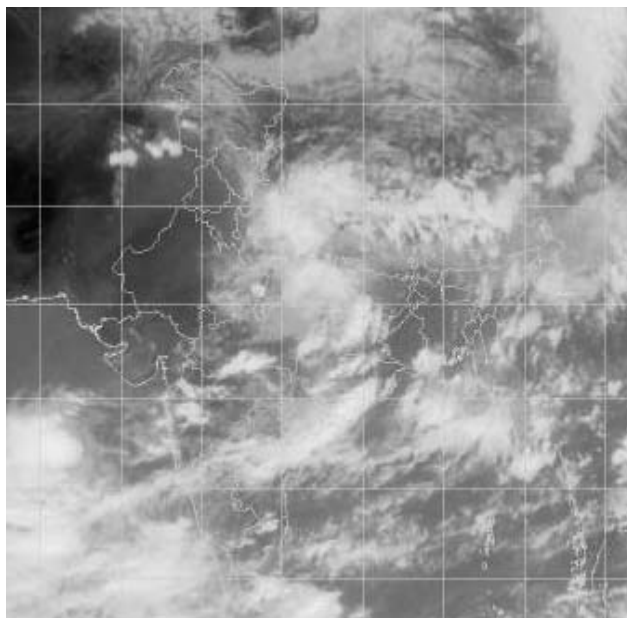
SELL NCDEX-July below 755 with target towards 748. Put stop loss near 759.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR MAIZE (Rs./Quintal)

Markets	Variety	14.06.07	13.06.07	Change
Delhi	Red Maize Bihar	740	735	+5
Nizamabad (Bilty) New	Red Maize	740	740	-
Devengere (Bilty)	Red Maize	740	740	-
Bihar (Loose)	Red Maize	570	570	-
Ahmedabad	Poultry feed mills	800	800	-
Ahmedabad	Starch	790-800	790	+10
Pune	Starch Quality	800	800	-

SATELLITE PICTURE OF MONSOON PROGRESS (14.06.07)



Monsoon watch

- ✓ Southwest monsoon has further advanced into some more parts of Telangana, remaining parts of Coastal Andhra Pradesh, northwest Bay of Bengal & Gangetic West Bengal, some parts of Chhattisgarh, Orissa, Jharkhand and East Uttar Pradesh and some more parts of Bihar. Northern limit of monsoon passes through lat. 16.0 °N/ long. 60.0 E°, lat. 16.0 °N/ long. 70.0 E°, Vengurla, Gulbarga, Nizamabad, Ramagundam, Gopalpur, Balasore, Ranchi, Gaya and Gorakhpur. Conditions are favourable for further advance of southwest monsoon over some more parts of Konkan & Goa and some parts of Madhya Maharashtra and some more parts of east India and Chhattisgarh during next 2-3 days.

Chief Features (14.06.07)

- ✓ The current meteorological analysis suggests the prevailing heat wave conditions over isolated pockets of north Rajasthan and adjoining Haryana are likely to abate during next 48 hrs. Numerical Weather Prediction Models suggests increase of ongoing rainfall activity along the west coast and east India during next 2-3 days.

Warning (for next 48 hrs.)

- ✓ Isolated heavy to very heavy rainfall is likely over northeastern states, West Bengal & Sikkim, East Uttar Pradesh, Jharkhand, Coastal Karnataka, Kerala and Lakshadweep. Isolated thundersquall is likely over Punjab, Haryana, Chandigarh, Delhi and Uttar Pradesh.

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

- ✓ Rainfall activity is likely to increase over east India, west coast and interior Karnataka.

Source: IMD (GOI)

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