

## ■ MAIZE

■ August 27, 2007

**Domestic Market Recap**

Saturday's Maize spot prices traded steady to down in most of the domestic markets on a steady buying support from the consuming units against the increased arrivals. Bihar maize in Delhi mandis traded steady at Rs.850/qrtl on increased arrivals of 2 motors against a normal physical demand. The maize (loose) prices at Nughachia, Bihar traded down at Rs.725/qrtl against the increased supply. Pune Sangli truck bilty and starch quality traded down at the range of Rs.15-20/qrtl on weak demand against the healthy arrivals. The maize prices at Kolkata traded steady to down at Rs.850/qrtl and possibility of further down as heavy supply is supposed to arrive by Monday from Nizamabad. During Saturday's trade, in various Delhi mandis, hybrid maize arrivals from U.P. stood steady around 6-7 and prices quoted steady at Rs.800/qrtl, remained unchanged. The International Grain Council increased their world corn production forecast to 755 million tonnes, up 3 million from last month. The exports demand for maize remained subdued due to flood in Bihar and Bangladesh. Professional Farmers of America on Friday estimated the 2007-08 U.S. corn crop at 13.109 billion bushels compared to USDA's estimation of 13.054 billion bushels.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		25.08.07	24.08.07		
Delhi (ex-godown)	Red Maize Bihar	845-850	850	-	2 motors
Nizamabad (Bilty)	Red Maize	700	700	-	
Davangere (Bilty)	Red Maize	700	700-705	-5	
Naugachia, Bihar (Loose)	Red Maize	725	730	-5	150 bags
Ahmedabad	Poultry feed mills	815-820	820-825	-5	5000 bags
Ahmedabad	Starch	790	790-800	-10	
Pune	Starch Quality	750-760	775-780	-20	1000 bags
Pune	Sangli truck Bilty	730	745	-15	

**International Futures Quotes (as of August 24, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	345.50	345.50	341.00	341.50	-3.75
December 2007	363.00	363.00	358.00	358.75	-3.25
March 2008	376.00	377.25	373.50	374.25	-3.00

**International Market Recap****CBOT Corn Futures Settled Down**

CBOT corn futures settled down Friday. December Corn finished down 3.25 cents at \$358.75 per bushel; this was 3.75 off the high and .75 up from the low. September Corn closed down 3.75 cents at \$341 per bushel. This was .5 up from the low and 4 off the high. Due to late strength in soybeans, the stock market, the crude oil futures and other commodity markets could not provide support for the corn future and the market touched new lows into the close. The bearish trend of the market was also further supported by the ideas that good corn yield potential has increased due to rains for much of the northern half of the Corn Belt outpacing the news of flood that damaged the cornfield. Further, the light harvest pressure from early cutting in the southern Corn Belt added weakness in the most active December future. Professional Farmers of America on Friday estimated the 2007-08 U.S. corn crop at 13.109 billion bushels compared to USDA's estimation of 13.054 billion bushels.

## ■ MAIZE

■ August 27, 2007

**FUTURES MARKETS:**

Maize futures at NCDEX traded firm Saturday. The most active September contract traded up and tested a high of Rs.735/qlt on the increased buying interest at lower level. The prices settled at Rs.734/qlt, same that of the previous close of Rs.734/qlt. The contract opened marginally weak at Rs.729/qlt against the previous close of Rs.734/qlt and traded in the range of Rs.729-735/qlt. The Volumes decreased significantly while Open Interests have declined marginally.

**PRICE DRIVERS:****Bullish:**

- Increasing growth of poultry industries
- Lower stocks in exchange warehouse

**Bearish:**

- Expected larger crops than the last year
- Acreage under kharif maize crops up at 71.49 lakh hectares so far as on 17.08.07 as against 67.76 lakh hectares a year ago during the same period.
- Subdued Export activities

**TECHNICALS:**

A bullish candlestick has been formed showing some strength of buying interest. Prices closed below the short term and medium term EMAs. MACD is moving up from the negative region. Stochastic is also moving up in neutral region. RSI is very indecisive. Maize is likely to trade range bound following a steady to slightly weak opening.

**NCDEX Maize September Contract****SUPPORT / RESISTANCES:**

Month	S2	S1	PCP	R1	R2
September	727	729	734	743	745

**RECOMMENDATION:**

**BUY NCDEX** - September above 735 with target 739, then 741. Put stop loss near 733.

**Do not carry forward the position until the next day.**

**Weather Impact Analysis**

While South India features normal to better rains, Monsoon is reviving in Central and North India. Eastern India is slowly recovering from floods

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASI and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in

COMMODITIES RESEARCH