

## ■ MAIZE

■ August 31, 2007

**Domestic Market Recap**

During Thursday's trade, Maize spot prices in most of the markets traded steady to down as normal arrivals outpaced subdued demand from the consuming units while prices traded up in Delhi mandis on no arrival from Bihar coupled with the arrival of good quality maize from Andhra Pradesh. Red maize in Delhi mandis traded up at Rs.861/qtl on good demand whereas hybrid maize quoted steady at Rs.790-795/qtl on a steady arrival of 4-5 motors. Nizamabad (Bilty) traded down with the arrival of new crops (with high moisture) into the market. The maize (loose) prices at Naugachia, Bihar traded down at Rs.720/qtl against the arrival of 2 motors whereas the prices also quoted up at Kolkata at Rs.840 due to the tight arrivals. In the global markets, corn prices also slashed down against news of harvesting of crops in the US and high yield per acre. As per the latest Agriculture Secretariat data, Argentina has exported 1,564,223 metric tonnes of corn in June, up almost 150% from the 629,463 tonnes exported in June 2006. The major buyers were Spain, Egypt and South Africa with the quantity of 219,387, 187,382 and 138,681 tonnes respectively. Bajra quoted steady at Delhi on a steady supply-demand situation.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		30.08.07	29.08.07		
Delhi (ex-godown)	Red Maize Bihar	861	840-45	+16	10 qtl
Nizamabad (Bilty)	Red Maize	690	705	-15	
Davangere (Bilty)	Red Maize	630	630	-	
Naugachia, Bihar (Loose)	Red Maize	720	720	-	200 bags
Ahmedabad	Poultry feed mills	770	790	-20	2-3 qtl
Ahmedabad	Starch	750	770	-20	
Pune	Starch Quality	750	750	-	1000-1500 bags
Pune	Sangli truck Bilty	725	725	-	

**International Futures Quotes (as of August 29, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	326.25	329.50	322.00	322.75	-4.50
December 2007	344.00	346.75	339.00	340.25	-4.50
March 2008	361.00	362.75	355.75	357.00	-4.50

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

CBOT corn futures settled down Wednesday. December Corn finished down 4.5 cents at \$340.75 per bushel; this was 6.5 off the high and 1.75 up from the low. September Corn closed down 4.5 cents at \$322.75 per bushel. This was .75 up from the low and 6.75 off the high. In the expectations of increased harvest of the corn pressured the market to trade down initially and continued till the closing with lack of aggressive buying. The news of the high yield of Mid-West USA corn further added the pressure on corn futures and December contract closed to the lowest level since August 17. Charts are also showing technical selling in the market as active contracts are trading below the moving average resistance. As per the Agriculture Secretary, Argentina is likely to export 17 million tonnes for the 2007/2008 seasons higher than the USDA estimate for 16 million tonnes. International Grains Council's said maize output in the current year is likely to be around 755 million tonnes, up 8.5 per cent on year due to higher production expected in the US. As per the latest Agriculture Secretariat data, Argentina has exported 1,564,223 metric tonnes of corn in June, up almost 150% from 629,463 tonnes exported in June 2006.

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### FUTURES MARKETS:

Maize futures at NCDEX traded weak Thursday. The Maize futures opened weak at Rs.702/qrtl against the previous close of Rs.704.50/qrtl and traded up initially testing a high of Rs.705/qrtl. However, prices traded down thereafter on increased selling pressure at higher level making a low of Rs.693/qrtl. The prices settled below Rs.3.00/qrtl from the previous close. The most active September contract traded in the range of Rs.693-705/qrtl. The Volumes increased significantly while Open Interests have decreased marginally.

### PRICE DRIVERS:

#### Bullish:

- Lower stocks in exchange warehouse

#### Bearish:

- Expected larger crops than the last year
- Acreage under kharif maize crops was up at 7.3 million hectares against 6.9 million hectares from April 1 to August 24, a year ago during the same period.
- Subdued Export activities
- Harvesting in US shows output may increase pre-harvesting estimation

### TECHNICALS:

A doji dark candlestick has formed showing indecisiveness in market. Prices closed well below the short term and medium term EMAs. MACD is dipping down in the negative region. Stochastic as well as RSI are about to fall into the oversold region. Maize is expected to trade down with possibility of steady to slightly weak opening.

### NCDEX Maize September Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
September	689	691	701.5	709	712

### RECOMMENDATION:

**SELL NCDEX** - September below 702 with target 697, then 694. Put stop loss near 705.

**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

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