

■ MAIZE

■ Sept. 12, 2007

Domestic Market Recap

During Tuesday's trade, Maize spot prices at most mandis traded steady to slightly firm on strong demand against slightly increased arrivals. But maize traded lower in Delhi mandis and Davangere (Bilty) on increased supply against lower physical demand. Good demand for starch quality boosted the market sentiment. Ahmedabad starch quality quoted up at Rs.750-760/qtl on slightly lower arrivals of 500 bags. Maize in Kolkata (Mill delivery) and Naugachia (Bihar) loose basis traded steady on a routine demand-supply situation. However, on a normal trading activity, Pune starch quality and sangli truck bilty traded steady at Rs.690 and Rs.660/qtl respectively. Nizamabad (Bilty), new crops traded steady at Rs.625/qtl on normal buying against slightly increased supply of 6500 bags. Red maize (Bihar) in Delhi mandis quoted down at Rs.790-795/qtl against the increased arrival of 6-7 motors while hybrid maize (U.P.) further dipped on mild demand against the increased arrivals of 9-10 motors. Both Bajra old and new traded steady in Delhi mandis. In coming days, maize may trade steady to down on increased arrivals.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		11.09.07	10.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	790-795	800	-5	6-7 motors
Nizamabad (Bilty)	Red Maize (New)	625	625	-	6500 bags
Davangere (Bilty)	Red Maize	635	635-640	-5	4000 bags
Naugachia, Bihar (Loose)	Red Maize	710	710	-	100 bags
Ahmedabad	Poultry feed mills	770-775	775	-	500 bags
Ahmedabad	Starch	750-760	750	+10	
Pune	Starch Quality	690	690	-	6000 bags
Pune	Sangli truck Bilty	660	660	-	

International Futures Quotes (as of September 7, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
September 2007	323.25	332.25	319.75	331.25	+8.00
December 2007	339.25	349.25	335.50	347.50	+8.25
March 2008	355.75	365.25	352.25	364.00	+8.25

International Market Recap

CBOT Corn Futures Settled Down

CBOT corn futures settled down Monday. December Corn finished up 1.5 cents at \$346.00 per bushel; this was 3.25 off the high and 3.5 up from the low. March Corn closed down 1 cents at \$363.00 per bushel. This was 3.75 up from the low and 2.5 off the high. CBOT corn futures settled lower Monday and unable to generate momentum despite stronger wheat and soybean prices. Increased output and harvesting of crops also imparted bearishness in the market sentiment. The weather is also expected to be conducive for harvesting this led to the lack of buying interest in the market. USDA predicted U.S's corn production to be around 13.123 billion bushels as compared with 13.054 billion last month. For ending stocks, the average trade estimate is 1.542 billion bushels (range 1.180-1.830) as compared with 1.516 billion from the USDA last month.

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FUTURES MARKETS:

Maize futures at NCDEX traded range bound Tuesday. Maize futures opened firm at Rs.718.00/ctl against the previous close of Rs.716.00/ctl and initially traded down testing a low of Rs.717.00. However, prices traded up thereafter on some buying interest at lower level and settled in the positive territory. The prices settled up at Rs.718.00 up of Rs.2.00/ctl against the previous close of Rs.716.00/ctl. The most active September contract traded in the range of Rs.717.00-720.00/ctl. In the September contract, volume decreased substantially whereas open interest decreased marginally.

PRICE DRIVERS:

Bullish:

- Lower stocks in exchange warehouse
- Growing demand from the poultry industry

Bearish:

- Estimated increase production 10 per cent to 15 million tonnes
- Arrival of fresh crops in south market
- Acreage under kharif maize crops was up at 73.52 lakh hectares against 69.20 lakh hectares from April 1 to August 31, a year ago during the same period.
- U.S. corn stocks by the end of this year may stand at 1.5 billion bushels, up from 700,000 bushels at the beginning of the year, US Grains Council.
- Corn output in Brazil stood 20% high to 51.1 Million Tonnes

TECHNICALS:

A doji candlestick has formed hinting for indecisiveness market. Prices closed above the 9 days EMA shows short-term gain for bulls. MACD is about to enter into positive territory. Stochastic is moving flat in the positive territory while RSI is heading up in the neutral region. Maize is expected to trade range bound following a steady to slightly firm opening.

NCDEX Maize September Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
September	707	710	718	726	730

RECOMMENDATION:

SELL NCDEX - September below 720 with target 716, then 714. Put stop loss near 722.

Do not carry forward the position until the next day.

Weather Impact Analysis

IMD forecast on 11th Sept., Subdued rainfall activity is likely to continue over West, Central and adjoining East & plains of North-West India during next 4-5 days.

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