

■ MAIZE

■ Sept. 28, 2007

Domestic Market Recap

Maize spot prices during Thursday's trade mostly traded steady to lower at most mandis on steady buying amidst increased arrivals. However, maize ruled higher at Kolkata mandis on good offtake against a tight supply. Due to arrival of fresh crops, prices in south slashed down in the range of Rs.10-30/qlt against a subdued export order. Nizamabad (Bilty) new crop traded in the range of Rs. 625-650/qlt while old crop traded Rs.680-690/qlt against the arrival of 1000 qtls. Pune starch quality traded steady while Sangli truck bilty further eased on increased daily arrivals of new crops (10000 qtls) on a mild domestic and export demand. However, on a routine demand-supply situation, red maize in Delhi mandis (Bihar) quality, Naugachia (Bihar) loose basis and Ahmedabad starch quality traded steady. In Delhi mandis, hybrid (UP) maize traded up Rs.735/qlt on good demand against restricted arrival of 12-13 motors and Bajra ruled higher at Rs.620/qlt on a tight supply situation. Supply to Delhi mandis was tightened due to rainfall over UP. In coming days, on a subdued export as well local demand against increased arrivals of fresh crops coupled with estimated higher production this year, maize may trade at lower side.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qlt)		Change	Arrivals
		27.09.07	26.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	790-800	790-800	-	3 motors
Nizamabad (Bilty)	Red Maize (New)	680-690	-	-	10000
Davangere (Bilty)	Red Maize	700	700-710	-10	9000
Naugachia, Bihar (Loose)	Red Maize	705-720	710-720	-	300 bags
Ahmedabad	Poultry feed mills	820	840-850	-30	100 bags
Ahmedabad	Starch	800-810	810	-	
Pune	Starch Quality	820	820	-	10000 bags
Pune	Sangli truck Bilty	700	710	-10	

International Futures Quotes (as of September 26, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	370.75	376.00	368.25	375.00	+3.25
December 2007	386.50	391.50	384.00	390.75	+3.50
March 2008	395.50	400.00	393.50	399.50	+3.25

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

CBOT corn futures settled up Wednesday. December Corn finished up 3.25 cents at \$375.00 per bushel; this was 1 off the high and 4.25 up from the low. March Corn closed up 3.5 cents at \$390.75 per bushel. This was 4.25 up from the low and .75 off the high. CBOT Tuesday's corn closed moderately higher in gaining support from the higher value of wheat and soybean. During initial session, corn traded lower on the news of favourable weather condition for harvest and better yield. However, towards the mid-session, corn traded higher with the strong support from wheat and soybean and with the news of not to give way the gained corn acreage this year. Speculative and technical buying near the close added to the late gains. Rumours that the EU is making significant concessions in attempting to ease tightness in the feed grain sector and news that the EU is proposing to halt import duties for cereal imports added to the positive tone. For the weekly export sales report, traders are looking for corn sales near 800,000-1.2 million tonnes as compared with 2.03 million tonnes last week.

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FUTURES MARKETS:

Maize futures at NCDEX traded firm Thursday. Maize futures opened firm at Rs.720.00/qtl against the previous close of Rs.716.00/qtl and initially traded up and tested the high of Rs.725.00. However, prices traded down thereafter on increased selling pressure at higher level and tested the low of Rs.717.50. However, prices settled higher at Rs.720.00, up of Rs.4.00/qtl against the previous close of Rs.716.00/qtl. The most active October contract traded in the range of Rs.717.50-725.00/qtl. In October contract, both volume and open interest increased marginally.

PRICE DRIVERS:

Bullish:

- Growing demand from the poultry industry
- Recent rainfalls delayed harvesting

Bearish:

- Arrival of fresh crops in southern market
- Kharif maize acreage has increased to 74.22 lakh hectares as on September 7 as against 69.95 lakh hectares during previous year.
- World corn ending stocks came in at 105.44 million tonnes up from 100.96 million for 2006/07.
- 1st Advance Estimate of 2007-08, a record production is expected in Maize at 13.07 million tonnes, up 14.3 per cent from the 4th advance estimate of 2006-07.

TECHNICALS:

A doji candlestick has formed on the chart shows indecision in prices. Prices closed below the EMAs indicate medium term weakness. MACD is heading down in positive region. Stochastic is dipping in neutral region while RSI is hesitantly rising up in the neutral region. Maize is likely to trade range bound with weak bias following steady to slightly firm opening.

NCDEX Maize October Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
October	701	707	720	734	740

RECOMMENDATION:

SELL NCDEX - October below 723 with target 718, then 715. Put stop loss near 725.5.

Do not carry forward the position until the next day.

Weather Impact Analysis

IMD forecast on 27th Sept., Scattered to fairly widespread rainfall is likely over east & adjoining central India in next 48-hrs.

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