

■ MAIZE

■ Sept. 14, 2007

Domestic Market Recap

During Thursday's trade, Maize spot prices firmed up as strong export and domestic demand outpaced normal arrivals. Good export demand as well as strong demand from domestic poultry sector supported market sentiment. Report of UAE and Saudi Arab countries resuming import of Indian poultry imparted bullish sentiment in southern market as these markets mostly export to Saudi Arab countries. Despite arrival of new crops, Davangere and Nizamabd (bilty) (new crops) traded up Rs.640-650 and 625-650/qrtl against the arrival of 5000 and 4000 bags respectively with the fresh export order from Bangladesh. In Delhi mandis, red maize (Bihar) firmed up Rs.805/qrtl against the restricted arrival of 3 motors while hybrid (UP) maize quoted steady at Rs.765/qrtl against steady arrivals of 10-12 motors. Naugachia (Bihar) loose basis and Kolkata (mill delivery) traded firm on growing poultry demand from northeastern India. On lower arrivals against strong demand, Ahmedabad poultry feed mills and starch quality quoted higher at Rs.780-800/qrtl each. In Delhi, Bajra new as well as old prices slashed down Rs.625 and Rs.650-655/qrtl respectively. World corn ending stocks stood around 105.44 million tonnes up from 100.96 million for 2006/07.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		13.09.07	12.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	805	800	+5	3 motors
Nizamabad (Bilty)	Red Maize (New)	625-650	620	+30	5000 bags
Davangere (Bilty)	Red Maize	640-650	635	+15	4000 bags
Naugachia, Bihar (Loose)	Red Maize	705-710	705	+5	100 bags
Ahmedabad	Poultry feed mills	780-800	770-775	+25	500 bags
Ahmedabad	Starch	780-800	770	+30	
Pune	Starch Quality	690	680	+10	2000 bags
Pune	Sangli truck Bilty	670	645	+25	

International Futures Quotes (as of September 12, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	324.00	341.50	321.75	339.75	+15.25
December 2007	341.00	358.75	338.50	356.50	+15.25
March 2008	357.00	375.00	355.50	373.00	+15.25

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

CBOT corn futures settled up Wednesday. December Corn finished up 15.25 cents at \$356.50 per bushel; this was 2.25 off the high and 18 up from the low. March Corn closed up 15.25 cents at \$373.00 per bushel. This was 17.5 up from the low and 2 off the high. CBOT corn futures settled up Wednesday profit booking and technical buying. Market sentiment was further boosted by the supply-demand reports of USDA. Corn got the production and stock figure that was what the market looking for. Market also firmed up as soybean rallied due to lower production and lower stocks and corn followed. Corn mission will not let down the corn acre gained this time due to lower price. The USDA pegged US 2007/08 corn production at 13.308 billion bushels, which was above the average trade estimate at 13.123 billion bushels and above the August USDA estimate of 13.054 billion. US ending stocks for 2007/08 were pegged at 1.675 billion bushels, as compared with the average trade estimate of 1.542 billion (range 1.180-1.830). World corn ending stocks came in at 105.44 MT up from 100.96 million for 2006/07.

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FUTURES MARKETS:

Maize futures at NCDEX traded firm Thursday. Maize futures opened firm at Rs.725.00/qtl against the previous close of Rs.722.00/qtl. Contract then traded up on increased buying interest at lower level and tested high of Rs.735.00/qtl and settled at higher side. The prices settled up at Rs.733.50 up of Rs.11.50/qtl against the previous close of Rs.722.00/qtl. The most active September contract traded in the range of Rs.725.00-735.00/qtl. In the September contract, volume increased substantially whereas open interest decreased marginally.

PRICE DRIVERS:**Bullish:**

- Fresh export orders from Bangladesh
- Growing demand from the poultry industry
- Saudi Arab countries resuming poultry import from India

Bearish:

- 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.
- World corn ending stocks came in at 105.44 million tonnes up from 100.96 million for 2006/07.
- US 2007/08 corn production at 13.308 billion bushels, above the August USDA estimate of 13.054 billion.

TECHNICALS:

Bullish long day pattern of candlestick with gap opening depicts the dominance of bulls. Prices closed well above the 9 and 18 days EMA shows bulls return into the market. 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 with firm bias.

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

Month	S2	S1	PCP	R1	R2
September	720	725	733.5	745	747

RECOMMENDATION:

BUY NCDEX - September above 733 with target 738, then 740. Put stop loss near 730.

Do not carry forward the position until the next day.

Weather Impact Analysis

IMD forecast on 12th Sept., scattered to fairly widespread rainfall activity is likely over south peninsular India during next 3-4 days and subdued rainfall activity is likely to continue over northwest & Central India during next 4-5 days.

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