

## ■ MAIZE

■ Sept. 03, 2007

**Domestic Market Recap**

Maize spot prices in most markets traded steady to mostly down on increased arrivals against a subdued demand whereas spot prices at Bihar (Naugachia) traded up with fresh loading of trucks for Bangladesh. In Bihar, prices quoted in the range of Rs.730-740 against the previous price level of Rs.720/qtl. Traders in Bihar are optimistic of the price rise as they are receiving fresh export demands from Bangladesh while maize traded lower at Kolkata and Delhi at Rs.840 and Rs.825-830/qtl respectively due to healthy arrivals of AP maize. Maize traded steady in south on a normal supply-demand situation. Prices may further go down in near future as new crops start coming into the market in Andhra Pradesh, traders reported. Good demand for Ahmedabad starch pushed up the prices against slightly increased arrivals. Hybrid maize (UP) quoted steady at Rs.785-790/qtl on a steady arrival of 5-6 motors. Markets are witnessing increased arrivals as stockists and farmers are hurried unloading the stuffs fearing further decline in prices. China's corn output is likely to be around 147 million tonnes in 2007, down from the latest official forecast of 149 million tonnes. Bajara traded steady at Rs.665/qtl for new and Rs.970/qtl for old.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		01.09.07	31.08.07		
Delhi (ex-godown)	Red Maize Bihar	840	850	-10	10-12 qtl
Nizamabad (Bilty)	Red Maize	680-685	685-690	-5	100 bags
Davangere (Bilty)	Red Maize	630	630	-	
Naugachia, Bihar (Loose)	Red Maize	730-740	720	+20	200 bags
Ahmedabad	Poultry feed mills	760-765	755-765	-	3-4qtl
Ahmedabad	Starch	745-750	745	+5	
Pune	Starch Quality	735-740	740	-	1500 bags
Pune	Sangli truck Bilty	725	725	-	

**International Futures Quotes (as of August 31, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	329.00	330.00	323.00	324.00	+1.25
December 2007	345.50	346.00	339.00	340.00	+0.25
March 2008	360.50	361.50	355.00	356.00	-

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

CBOT corn futures settled up Friday. December Corn finished up .25 cents at \$340 per bushel; this was 6 off the high and 1 up from the low. March Corn closed unchanged at \$356 per bushel. This was 1 up from the low and 5.5 off the high. CBOT maize futures opened firm with the support from wheat and with the news of rain forecast. The market also found some support from talk of possible heavy rains in the 6-10 day forecast across Iowa and northern Illinois. News that US exporters sold 180,000 tonnes of sorghum to unknown destination added to the positive tone with talk of strong world demand for feed grain. June US ethanol production measured 418,000 barrels per day, which was up from 406,000 bpd, or 3.0%, in the previous month and up from 318,000 barrels per day, or 27.67%, in the same month last year. 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.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded weak Saturday. The Maize futures opened weak at Rs.701.00/qlt against the previous close of Rs.704.50/qlt. Contract then traded down on increased selling pressure at higher level and tested a low of Rs. 695.50/qlt. The prices settled at Rs.696.00/qlt, down of Rs.8.50/qlt from the previous close. The most active September contract traded in the range of Rs.695.50-701.00/qlt. In the September contract, volume declined sharply whereas open interest increased marginally.

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

- Lower stocks in exchange warehouse
- Fresh Export Orders from Bangladesh

**Bearish:**

- Expected larger crops than the last year
- 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.
- Harvesting in US shows output may increase pre-harvesting estimation

**TECHNICALS:**

A solid dark candlestick has formed showing weak sentiment in market. Prices closed well below the short term and medium term EMAs. MACD is further dipping into the negative region. Stochastic is moving flat in the oversold region whereas RSI is about to enter into the oversold region. Maize is expected to trade down with possibility of steady to slightly firm opening.

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

Month	S2	S1	PCP	R1	R2
September	685	687	696	705	709

**RECOMMENDATION:**

**SELL NCDEX** - September below 698 with target 693, then 691. Put stop loss near 701.

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

**Weather Impact Analysis**

IMD forecast on 1<sup>st</sup> Sept., point towards widespread rainfall over the southern region for next 3-4 days and then decrease.

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