

■ MAIZE

■ Sept. 25, 2007

Domestic Market Recap

Monday's maize spot prices ruled steady to mostly down at most major mandis as increased arrivals offset normal demand. But some export orders as well as domestic demand from the poultry industries boosted the market sentiment. Ahmedabad poultry feed mills grade and Davangere (Bilty) quoted higher at Rs.840-850 and Rs.720/qrtl from the previous level of Rs.840 and Rs.685-700/qrtl respectively against the lower arrivals. However, at most markets, due to pressure of new crop arrivals, prices down in the range of Rs.10-25 per qrtl. According to a US Grains Council India report, maize prices across the country have fallen by around 10 per cent in the last few days. Naugachia (Bihar) lose basis and Kolkata (Mill delivery) traded steady to down on a subdued demand from the consuming units. In Delhi mandis, both red maize (Bihar) and hybrid (UP) traded steady at Rs.780-800/qrtl and Rs.725 against a steady arrival of 2-3 and 12-13 motors respectively while Bajra traded down Rs.610/qrtl on a lower offtake. Both Pune starch quality and Sangli truck bilty traded down Rs.20 and Rs.25/qrtl from their previous level on a normal overseas demand against the increased arrival of 7000 qtsl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		24.09.07	22.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	780-800	780-800	-	2-3 motors
Nizamabad (Bilty)	Red Maize (New)	690-700	700-710	-10	12000 bags
Davangere (Bilty)	Red Maize	720	685-700	+20	7000
Naugachia, Bihar (Loose)	Red Maize	715-720	710-720	-	500 bags
Ahmedabad	Poultry feed mills	840-850	840	+10	No arrival
Ahmedabad	Starch	810-820	810-820	-	
Pune	Starch Quality	780-790	810	-20	7000 bags
Pune	Sangli truck Bilty	690-710	720-735	-25	

International Futures Quotes (as of September 21, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	373.00	377.00	371.25	376.50	7.25
December 2007	388.50	392.50	387.00	392.00	6.75
March 2008	397.50	401.50	396.00	401.25	6.75

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

CBOT corn futures settled up Friday. December Corn finished up 7.25 cents at \$376.50 per bushel; this was .5 off the high and 5.25 up from the low. March Corn closed up 6.75 cents at \$392.00 per bushel. This was 5 up from the low and .5 off the high. CBOT Friday's corn closed sharply higher on the session and near 28 cents higher on the week despite the active harvest. Despite weakness in the soybean complex, solid export demand and follow-through technical buying of the past few sessions helped support solid gains early in the day. Strength in wheat and a bullish tone for several commodity markets added to the positive tone. Speculation about corn acreage loss as farmers are planning to shift to soybeans and wheat also added positive force. The buying late in the session pushed prices past technical resistance and beyond pre-weekend profit taking. Further China's intention of ban corn export, which means the US, will receive additional corn export business added to the positive tone.

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FUTURES MARKETS:

Maize futures at NCDEX traded weak Monday. Maize futures opened weak at Rs.729.00/ctl against the previous close of Rs.730.00/ctl and initially traded down and tested the low of Rs.727.50. However, prices recovered thereafter on good buying support at lower level and tested the high of Rs.737.50. The prices settled up at Rs.736.00 up of Rs.6.00/ctl against the previous close of Rs.730.00/ctl. The most active October contract traded in the range of Rs.727.50-737.50/ctl. In October contract, volume increased significantly while open interest increased marginally.

PRICE DRIVERS:**Bullish:**

- Growing demand from the poultry industry
- Saudi Arab countries resuming poultry import from India
- Export demand from South and Southeast Asian countries

Bearish:

- Arrival of fresh crops in south 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 bullish candlestick has formed on the chart shows firmness in prices. Prices remain well above the EMAs. MACD is moving up in positive region. Stochastic as well as RSI have made upward movement in the neutral region. Maize is likely to trade range bound with firm bias.

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

Month	S2	S1	PCP	R1	R2
October	725	730	736	750	754

RECOMMENDATION:

BUY NCDEX - October above 739 with target 743, then 745. Put stop loss near 737.

Do not carry forward the position until the next day.

Weather Impact Analysis

IMD forecast on 24th Sept., Isolated heavy to very heavy falls is also likely over north Chhattigarh, north Madhya Pradesh, north Orissa, Jharkhand, Saurashtra, south Gujarat region.

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