

## ■ MAIZE

■ Oct. 1, 2007

**Domestic Market Recap**

During Saturday's trade, maize spot prices mostly traded steady to lower at most mandis on weak demand against normal arrivals. But maize ruled higher at Ahmedabad and Pune on good offtake from the starch makers against restricted arrivals. Ahmedabad starch quality and Pune Sangli truck bilty traded up at Rs.800-810 and Rs.730/ctl respectively against the daily arrival of 1000 and 12000 bags. However, Nizamabad (Bilty) new traded down on weak demand at Rs.630 against the daily arrival of 10000 bags and new crop (12% moisture) traded at Rs.700/ctl. On a routine trading activity, Delhi (Bihar) red maize and Naugachia (Bihar) loose basis traded steady. But in Kolkata mandis, maize (mill quality) slightly firmed up on good demand from the poultry industries against a tight supply. Markets also witnessed weak export orders. In Delhi, Bajra ruled firm at Rs.625/ctl as supply was tightened due to rainfall over UP. In short term, fresh crop arrivals along with bumper production may pressurize the maize prices to rule at lower side, but in medium term, may be firmed up on good export demand from east Asian countries as China is restricting corn export.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/ctl)		Change	Arrivals
		29.09.07	28.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	800	790-800	-	2 motors
Nizamabad (Bilty)	Red Maize (New)	630	630-640	-10	10000 qtls
Davangere (Bilty)	Red Maize (New)	630-635	635	-	15000 qtls
Naugachia, Bihar (Loose)	Red Maize	710-725	700-725	-	300 bags
Ahmedabad	Poultry feed mills	800	815	-15	10 motors
Ahmedabad	Starch	800-810	800	+10	
Pune	Starch Quality	810	820	-10	12000 bags
Pune	Sangli truck Bilty	730	710	+20	

**International Futures Quotes (as of September 28, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	386.25	387.50	370.00	373.00	-13.75
December 2007	402.00	403.00	386.25	389.25	-13.00
March 2008	411.00	412.00	396.00	399.25	-12.00

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

CBOT corn futures settled down Friday. December Corn finished down 13.75 cents at \$37.00 per bushel; this was 12.5 off the high and 3 up from the low. March Corn closed down 13 cents at \$389.00 per bushel. This was 3 up from the low and 11.25 off the high. CBOT Friday's corn closed sharply lower after reaching highs in this week since June 22nd. Futures settled lower as a larger-than expected quarterly corn stocks report pressured prices, with end-of-month and end of- quarter position squaring also pushing futures lower. The stocks report was larger than what the market expected and corn saw some consolidation from recent sharp gains and ahead of month end. Although wheat futures made another new all-time high, price volatility spilled over into corn as sharp gains in wheat helped trim corn losses after mid-session though late weakness in wheat helped pressure corn near the close. Speculative selling also pressurised the prices. USDA pegged September 1st stocks at 1.304 billion bushels as compared with the average pre-report trade estimate at 1.146 billion bushels compared with 1.967 billion last year.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded mixed Saturday. Maize futures opened weak at Rs.714.00/qtl against the previous close of Rs.717.00/qtl and initially traded down and tested the low of Rs.712.00. However, prices traded up thereafter on increased buying interest at lower level and tested the high of Rs.717.00. Prices settled at its high at Rs.717.00, remained unchanged against the previous close of Rs.717.00/qtl. The most active October contract traded in the range of Rs.712.00-717.00/qtl. In October contract, volume decreased significantly while open interest decreased 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 small body has formed on the chart. Close below 9-day EMA indicates short-term weakness. MACD is heading down in positive region. Stochastic is dipping in the neutral region while RSI moving flat in neutral region. Maize is likely to trade range bound with weak bias following weak opening.

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

Month	S2	S1	PCP	R1	R2
October	701	704	717	725	730

**RECOMMENDATION:**

**SELL NCDEX** - October below 715 with target 710, then 708. Put stop loss near 717.5.

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

**Weather Impact Analysis**

IMD forecast on 29<sup>th</sup> Sept., Scattered rainfall activity is likely over Eastern UP, north Andhra Pradesh and Orissa.

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