

■ MAIZE

■ Sept. 20, 2007

Domestic Market Recap

At most of the major mandis, maize spot prices eased on weak demand amidst slightly increased arrivals. But in Delhi (red maize) and Nizamabad (Bilty) traded up on a normal demand against lower arrivals. In Delhi mandis, red maize (Bihar) quoted higher at Rs.800 on a steady demand against the restricted arrival of 2 motors. Firm sentiment in Delhi mandis was further supported by the rainfall over UP as rainfall created logistic problem. At Naugachia (Bihar) loose basis and Kolkata (mill delivery) traded steady on a routine demand-supply situation. In southern markets, maize prices dipped due to lower offtake against healthy fresh crop arrivals. At Ahmedabad, increased arrivals of 10,000 qtls pressured the maize prices and both maize starch quality and poultry feed mills was down at the range of Rs.10/qtl from yesterday's price level of Rs.810 and Rs.800/qtl respectively. In Delhi, hybrid (UP) maize traded up at Rs.725/ as supply was tightened due to rainfall over UP region and Bajra also quoted up at Rs.610/qtl from yesterday's level of Rs.595. Minimum support price for maize during the year 2007-2008 is Rs.620/qtl, up of 14.8 per cent from last years Rs.540.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		19.09.07	18.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	800	780	+20	2 motors
Nizamabad (Bilty)	Red Maize (New)	665-685	670-675	+10	2000 bags
Davangere (Bilty)	Red Maize	650-665	645-670	-5	2500 bags
Naugachia, Bihar (Loose)	Red Maize	700-705	700-705	-	400 - 500 bags
Ahmedabad	Poultry feed mills	800	810	-10	10000 bags
Ahmedabad	Starch	790	800	-10	
Pune	Starch Quality	710-720	740-750	-30	15000 bags
Pune	Sangli truck Bilty	660-675	700	-25	

International Futures Quotes (as of September 18, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	352.00	354.00	344.25	352.25	-
December 2007	368.50	370.50	361.50	369.00	-
March 2008	378.50	380.50	372.50	379.00	-0.75

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

CBOT corn futures settled unchanged from previous closing level. December Corn finished unchanged at \$352.25 per bushel; this was 1.75 off the high and 8 up from the low. March Corn closed unchanged at \$369.00 per bushel. This was 7.5 up from the low and 1.5 off the high. CBOT corn futures settled unchanged Tuesday. Following the strength from other commodities like soybean and wheat, corn traded high upto the mid session, with the down of these commodities, sellers were active in selling corn and pull the market under 3.50 into the mid-session. An active harvest pace and better-than-expected yields limited buying interest in corn and led to light selling. Commercial selling eased up after the early sharp break and a steady flow of fund buying helped support. Weather looks conducive for the further advance of harvesting over the next 10 days, which is seen as a bearish force as commercial selling activity could be on the rise. The weekly crop updates showed that corn harvest was 14% complete (as of Sunday) as

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FUTURES MARKETS:

Maize futures at NCDEX traded weak Wednesday. Maize futures opened weak at Rs.715.00/qtl against the previous close of Rs.719.00/qtl and traded down testing a low of Rs.710/qtl. However, prices traded up thereafter on some buying interest at lower level and tested the high of Rs.720.00/qtl. The prices settled down at Rs.717.00 down of Rs.2.00/qtl against the previous close of Rs.719.00/qtl. The most active October contract traded in the range of Rs.710.00-720.00/qtl. In October contract, volume as well as open interest decreased.

PRICE DRIVERS:**Bullish:**

- Growing demand from the poultry industry
- Saudi Arab countries resuming poultry import from India

Bearish:

- Arrival of fresh crops in south market
- Till date, acreage under kharif maize crops was up at 7.617 million hectares against 7.174 lakh hectares
- 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:

A doji candlestick has formed indicating indecisiveness in prices. Prices closed well above the 9 and 18 days EMA shows firmness in market. MACD is moving up in neutral region. Stochastic is dipping in the overbought region while RSI is moving up in the neutral region. Maize is expected to trade range bound with weak bias with possibility of steady to slightly firm opening.

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

Month	S2	S1	PCP	R1	R2
October	705	710	717	726	732

RECOMMENDATION:

SELL NCDEX - October below 720 with target 714, then 712. Put stop loss near 723.

Do not carry forward the position until the next day.

Weather Impact Analysis

IMD forecast on 19th Sept., Scattered to fairly widespread rainfall is likely over northwest India and decrease in rainfall activity over south peninsula in next 48 hours.

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