

## ■ MAIZE

■ Sept. 27, 2007

**Domestic Market Recap**

Maize spot prices at most major mandis on Wednesday mostly ruled steady to down on steady demand amidst increased arrivals while Pune starch quality traded up on some good demand from both the locals and exporters against slightly lower arrivals. However, maize traded lower on lack of fresh export orders along with domestic demand against the increased arrivals. Maize traded steady in Delhi (red maize), Naugachia (Bihar) loose basis and Kolkata (mill delivery) mandis on a routine demand-supply situation. However, prices dipped at Davangere (Bilty), Ahmedabad (poultry feed mills) and Ahmedabad (starch quality) in the range of Rs.15-20/mtl as markets witnessed subdued demand from the consuming units. On good offtake, hybrid (UP) maize in Delhi mandis traded up Rs.730/mtl from the previous level of Rs.720 against the increased arrivals of 15-16 motors and Bajra ruled higher at Rs.615/mtl. The US weekly progress reports showed that 22% of the harvest is complete. On the basis of this year's higher price realisation, in South Africa, farmers are expected to plant 87-million hectares of maize this season compared with only 2,634-million hectares last season, crop estimates committee reported.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/mtl)		Change	Arrivals
		26.09.07	25.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	790-800	790-800	-	5 motors
Nizamabad (Bilty)	Red Maize (New)	-	-	-	
Davangere (Bilty)	Red Maize	700-710	720-725	-15	7000
Naugachia, Bihar (Loose)	Red Maize	710-720	710-720	-	500 bags
Ahmedabad	Poultry feed mills	840-850	870	-20	No arrival
Ahmedabad	Starch	810	830	-20	
Pune	Starch Quality	820	800	+20	9000 bags
Pune	Sangli truck Bilty	710	710	-	

**International Futures Quotes (as of September 25, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	372.50	375.50	370.75	371.75	-1.75
December 2007	388.00	390.50	386.25	387.25	-1.75
March 2008	397.00	399.50	395.50	396.25	-2.25

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

CBOT corn futures settled down Tuesday. December Corn finished down 1.75 cents at \$371.75 per bushel; this was 3.75 off the high and .5 up from the low. March Corn closed down 1.75 cents at \$387.25 per bushel. This was .25 up from the low and 3.25 off the high. CBOT Tuesday's corn closed slightly lower with a choppy trade and unable to generate much momentum above or below Monday's price levels. Although the corn future supported by the strong wheat prices but traded down on the pressure of harvesting and consolidation. As it is a follower of other commodity, it gained support from the wheat prices. However, harvest selling pressures and a late sell-off in soybeans helped pull the market lower into the close. The weekly progress reports showed that 22% of the harvest is complete (as of Sunday) as compared with trade expectations at 25-30% and 12% last year. The crop was rated 63% in good/excellent condition, which was unchanged from last week and compares with 61% last year. The 10-year average for this time of year is 58%.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded weak Wednesday. Maize futures opened weak at Rs.728.50/qtl against the previous close of Rs.731.50/qtl and initially traded up and tested the high of Rs.730.00. However, prices traded down thereafter on increased selling pressure at higher level and tested the low of Rs.714.00. The prices settled lower at Rs.716.00, down of Rs.15.50/qtl against the previous close of Rs.731.50/qtl. The most active October contract traded in the range of Rs.714.00-730.00/qtl. In October contract, volume increased marginally while open interest decreased slightly.

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

- Growing demand from the poultry industry
- Recent rainfalls delayed harvesting

**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 dark candlestick has formed on the chart shows weakness in prices. EMA indicates for short-term firmness. MACD is heading down in positive region. Stochastic is moving flat in neutral region while RSI is further dipping in the neutral region. Maize is likely to trade range bound with weak bias following steady to slightly firm opening.

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

Month	S2	S1	PCP	R1	R2
October	692	696	716	721	728

**RECOMMENDATION:**

**SELL NCDEX** - October below 713 with target 708, then 705. Put stop loss near 715.5.

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

**Weather Impact Analysis**

IMD forecast on 26<sup>th</sup> Sept., Fairly widespread rainfall with isolated heavy to very heavy falls is likely over West Uttar Pradesh and Uttarakhand during next 24 hrs. and decrease thereafter..

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