

■ MAIZE

■ Sept. 13, 2007

Domestic Market Recap

During Wednesday's trade, Maize spot prices at most mandis eased on increased arrivals against steady demand. But red maize in Delhi (Ex-godown) and Ahmedabad starch quality traded firm as normal demand outpaced slightly lower arrivals. Due to a subdued demand, Pune starch quality and sangli bilty further dipped Rs.10 and Rs.15/qrtl respectively against the healthy arrivals of 5000 bags. Kolkata mill delivery traded steady at Rs.830-840 on normal trading while Naugachia (Bihar) loose basis slashed down on lower offtake against steady supply of 100-200 bags. Healthy new crop arrivals in Nazamabad further pulled down maize spot prices from previous level of Rs.625 to Rs.620/qrtl against normal demand. Week export demand further imparted bearishness in the market sentiment. In Delhi mandis, red maize (Bihar) quality traded up Rs.800/qrtl and arrival stood at 5 motors while Hybrid UP maize quoted lower at Rs.765/qrtl on an increased arrival of 10-12 motors. Both Bajra old and new traded down at Rs.655 and 625/qrtl respectively due to heavy arrival of 5-6 motors against a steady demand. As per Brazil's Statistics Agency, country's 2007 corn output will be higher around 52.2 million tonnes from 42.6 million tonnes of corn last year.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		12.09.07	11.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	800	790-795	+5	5 motors
Nizamabad (Bilty)	Red Maize (New)	620	625	-5	8000 bags
Davangere (Bilty)	Red Maize	635	635	-	6000 bags
Naugachia, Bihar (Loose)	Red Maize	705	710	-5	100-200 bags
Ahmedabad	Poultry feed mills	770-775	770-775	-	2000 bags
Ahmedabad	Starch	770	750-760	+10	
Pune	Starch Quality	680	690	-10	5000 bags
Pune	Sangli truck Bilty	645	660	-15	

International Futures Quotes (as of September 11, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
September 2007	327.00	328.00	322.50	324.50	-5.25
December 2007	343.25	345.00	338.50	341.25	-4.75
March 2008	349.50	361.75	349.50	357.75	-5.25

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

CBOT corn futures settled down Tuesday. December Corn finished down 4.75 cents at \$341.25 per bushel; this was 3.75 off the high and 2.75 up from the low. March Corn closed down 5.25 cents at \$357.75 per bushel. This was 2.5 up from the low and 4 off the high. CBOT corn futures settled lower Tuesday despite limit up rally in wheat. Corn traded lower as early high harvest estimation and the USDA's prediction report of September 12 pulled down the prices. The expectation of bumper production corn production in US has witnessed lack of aggressive buying. Crop conditions improved last week to 61% good to excellent, from 59% last week and to 59% last year. For tomorrow's USDA report, the US corn production to come around 13.123 billion bushels as compared with 13.054 billion last month. For ending stocks, the average trade estimate is 1.542 billion bushels as compared with 1.516 billion from the USDA last month.

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FUTURES MARKETS:

Maize futures at NCDEX traded firm Wednesday. Maize futures opened firm at Rs.719.50/qlt against the previous close of Rs.718.00/qlt and initially traded down testing a low of Rs.718.50. However, prices traded up thereafter on some buying interest at lower level and settled up. The prices settled up at Rs.722.50 up of Rs.4.00/qlt against the previous close of Rs.718.00/qlt. The most active September contract traded in the range of Rs.718.50-723.00/qlt. In the September contract, volume decreased substantially whereas open interest decreased marginally.

PRICE DRIVERS:**Bullish:**

- Lower stocks in exchange warehouse
- Growing demand from the poultry industry

Bearish:

- Estimated increase production 10 per cent to 15 million tonnes
- Arrival of fresh crops in south market
- 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.
- U.S. corn stocks by the end of this year may stand at 1.5 billion bushels, up from 700,000 bushels at the beginning of the year, US Grains Council.
- Estimated corn output in Brazil is around 52.2 Million Tonnes

TECHNICALS:

A small hollow candlestick has formed indicating firmness in market. Prices closed above the 9 and 18 days EMA shows bulls return into the market. MACD is about to enter into positive territory. Stochastic is dipping in the positive territory while RSI is heading up in the neutral region. Maize is expected to trade range bound with firm bias.

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

Month	S2	S1	PCP	R1	R2
September	714	717	722.5	735	737

RECOMMENDATION:

BUY NCDEX - September above 724 with target 729, then 731. Put stop loss near 721.

Do not carry forward the position until the next day.

Weather Impact Analysis

IMD forecast on 12th Sept., Isolated heavy rainfall is likely over Andaman & Nicobar Islands, northeastern States, West Bengal & Sikkim, Kerala and Lakshadweep in next 2 days.

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