

■ MAIZE

■ Sept. 18, 2007

Domestic Market Recap

Maize spot prices eased during the Monday's trade on lower offtake against healthy arrivals. With increased arrivals coupled with higher moisture content in new crops further aided to the weakness. However, in Delhi mandis, red maize (Bihar) quoted up at Rs.800/qrt against the Friday's level of Rs.790 due to good offtake from the consuming units against slightly lower arrivals of 3 motors. The prices of Delhi (UP Hybrid maize) further slipped to Rs.720-725/qrt on healthy arrivals against a subdued demand and the arrivals stood around 15 motors. Healthy arrivals of new crops in the southern market further presurised the prices and the prices were down in the range of Rs.20-60/qrt and the arrivals stood around 4700 to 10000 bags. Exports activity remained subdued in the market. In Kolkata (mill delivery) and Naugachia (Bihar) loose basis traded steady to slightly weak on normal trading activity. In Delhi, both Bajra (new) and (old) prices slashed down at Rs.600 and Rs.630/qrt as increased arrivals offset normal demand. World corn ending stocks stood around 105.44 million tonnes up from 100.96 million for 2006/07.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrt)		Change	Arrivals
		17.09.07	14.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	800	790	+10	3 motors
Nizamabad (Bilty)	Red Maize (New)	625-630	640-655	-25	5000 bags
Davangere (Bilty)	Red Maize	635-640	670-680	-40	4700 bags
Naugachia, Bihar (Loose)	Red Maize	705-710	710-715	-5	300 bags
Ahmedabad	Poultry feed mills	800	820	-20	6000 bags
Ahmedabad	Starch	800	800	-	
Pune	Starch Quality	700-715	750-760	-45	10000 bags
Pune	Sangli truck Bilty	700	740-760	-60	

International Futures Quotes (as of September 14, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	346.75	354.25	345.25	349.00	+2.25
December 2007	363.00	371.00	362.00	366.00	+2.25
March 2008	374.00	381.00	372.50	376.25	+2.50

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

CBOT corn futures settled up Friday. December Corn finished up 2.25 cents at \$349.00 per bushel; this was 5.25 off the high and 3.75 up from the low. March Corn closed up 2.25 cents at \$366.00 per bushel. This was 4 up from the low and 5 off the high. CBOT corn futures settled up Friday. December corn traded both side and wide range and stayed within the previous day's price level. The market was supported by the stronger soybean prices and good corn demand from Turkey. It was reported that Turkey's State Grain Board is seeking approval to import 300,000 tonnes of corn, and there were also reports of a potential sale of 190,000 tonnes of US corn and soybeans to Mauritania. The absence of strong hedge related selling interest, despite an expected active harvest this weekend also provided support. However, the advancing harvest and expectations for a bumper US crop are significant bearish factors.

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FUTURES MARKETS:

Maize futures at NCDEX traded weak Monday. Maize futures opened flat at Rs.736.00/qtl against the previous close of Rs.736.00/qtl and initially traded down and tested a low of Rs.732.00. However, prices recovered thereafter with some buying interest at lower level and tested the high of Rs.745.00. The prices settled down at Rs.734.00 down of Rs.2.00/qtl against the previous close of Rs.736.00/qtl. The most active October contract traded in the range of Rs.732.00-745.00/qtl. In October contract, volume decreased substantially whereas open interest increased slightly.

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
- 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.
- 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 market. Prices closed well above the 9 and 18 days EMA shows market firmness. MACD is moving up in the positive territory. Stochastic is moving flat in the overbought region while RSI is dipping in overbought region. Maize is expected to trade range bound with firm bias.

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

Month	S2	S1	PCP	R1	R2
October	725	730	734	750	754

RECOMMENDATION:

BUY NCDEX - October above 736 with target 740, then 742. Put stop loss near 734.

Do not carry forward the position until the next day.

Weather Impact Analysis

IMD forecast on 17th Sept., Isolated heavy to very heavy rainfall is likely over Konkan & Goa, Madhya Maharashtra, Marathwada, Interior Karnataka, Andhra Pradesh, Kerala, Lakshadweep, Andaman & Nicobar Islands in next 48 hours.

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