

## ■ MAIZE

■ Sept. 21, 2007

**Domestic Market Recap**

During Thursday's trade, Maize spot prices traded steady to firm on good offtake against the restricted arrivals. Good overseas demand from south and south East Asian countries further boosted the domestic maize price. Nizamabad (Bilty) and Pune starch quality traded up in the range of Rs.15 and Rs.50/qtl respectively from the Wednesday's level against the restricted arrival of 1800 and 13000 qtl. Growing demand from the poultry industries provided the momentum to maize price and Ahmedabad maize poultry feed mills quoted up Rs.820-830/qtl from Wednesday's price level of Rs.800 against no arrivals. On a routine demand-supply situation, red maize (Bihar) in Delhi mandis and Naugachia (Bihar) on loose basis quoted steady at Rs.800 and Rs.700-705/qtl respectively. Kolkata (mill Delivery) also quoted up as strong demand outpaced normal arrivals. In Delhi mandis, hybrid (UP) maize traded steady against the steady arrival of 12-13 motors while Bajra quoted lower at Rs.600/qtl on a lower offtake. As per 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. Bajra production pegged at 7.97 million tonnes compared to the last year's 8.63 million tonnes.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		20.09.07	19.09.07		
Delhi (ex-godown)	Red Maize (Bihar)	800	800	-	2-3 motors
Nizamabad (Bilty)	Red Maize (New)	690-700	665-685	+15	1800 bags
Davangere (Bilty)	Red Maize	650-660	650-665	-5	1200 bags
Naugachia, Bihar (Loose)	Red Maize	700-705	700-705	-	400 - 500 bags
Ahmedabad	Poultry feed mills	820-830	800	+30	No arrival
Ahmedabad	Starch	800-805	790	+15	
Pune	Starch Quality	760-770	710-720	+50	13000 bags
Pune	Sangli truck Bilty	630-645	660-675	-30	

**International Futures Quotes (as of September 19, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	352.00	358.75	347.00	358.25	+6.00
December 2007	368.50	375.00	364.00	374.75	+5.75
March 2008	379.00	385.00	374.50	384.50	+5.50

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

CBOT corn futures settled up Wednesday. December Corn finished up 6 cents at \$358.25 per bushel; this was .5 off the high and 11 up from the low. March Corn closed up 5.75 cents at \$374.75 per bushel. This was 10.5 up from the low and .25 off the high. CBOT corn futures settled near session highs, boosted by wheat-corn spread unwinding and technical buying near the close. Corn was supported by the weak in the wheat market. Support also came from a rebound in soybean futures from moderately lower levels. Weakness in wheat, excellent weather for harvest and a sell-off in the soybean complex helped spark come early weakness. Ideas that China will not be exporting corn through at least the end of the year and ideas that the corn market can not afford to lose too many acres to wheat and soybeans helped provide underlying support. Taiwan is floating tenders to buy 35,000 tonnes of US corn. For the weekly export sales report, released before the opening, traders are looking for corn sales near 900,000-1.3 million tonnes as compared with 1.039 million tonnes last week.

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### FUTURES MARKETS:

Maize futures at NCDEX traded weak Thursday. Maize futures opened firm at Rs.720.00/ql against the previous close of Rs.718.00/ql and traded down testing a low of Rs.712/ql. However, prices traded up thereafter on some buying interest at lower level and tested the high of Rs.729.00/ql. The prices settled down at Rs.712.50 down of Rs.5.50/ql against the previous close of Rs.718.00/ql. The most active October contract traded in the range of Rs.712.00-729.00/ql. In October contract, volume increased marginally while open interest declined slightly.

### PRICE DRIVERS:

#### Bullish:

- Growing demand from the poultry industry
- Saudi Arab countries resuming poultry import from India
- Export demand from South and Southeast Asian countries

#### 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.
- 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 with long upper shadow has formed indicating selling pressure at higher at level. Prices closed above the 9 and 18 days EMA shows firmness in market. MACD is dipping in neutral region. Both stochastic and RSI are dipping in the positive territory. Maize is likely 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	696	705	712.5	721	726

### RECOMMENDATION:

**SELL NCDEX** - October below 711 with target 705. Put stop loss near 714.

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

### Weather Impact Analysis

IMD forecast on 20<sup>th</sup> Sept., scattered to fairly widespread rainfall activity is likely over Chhattisgarh, Maharashtra, Goa, South Gujarat Region and South Madhya Pradesh during next 4 days.

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