

■ MAIZE

■ Oct. 29, 2007

Domestic Market Recap

During Saturday's trade, maize spot prices dipped on lower buying amid sustained supply from the producing centres. However, Delhi red maize (Atta quality) and Ahmedabad starch quality traded steady on normal offtake from the starch manufacturers and poultry industries against the arrival of 7 motors and 10000 qtls respectively. In major producing centres like Davangere (Karnataka) and Nizamabad (AP) wagon bilty traded steady to down on lower demand against the daily arrival of 10000 and 15000 qtls. Maize spot prices dipped in Karnataka on lower demand despite farmers opted not to sell to the govt. procurement agencies in the current price level of Rs.620. In Andhra Pradesh, procurement of maize by govt. agencies has picked up the pace. Naugachia (Bihar) loose basis and Kolkata (Mill Delivery) also quoted down on a subdued demand against the steady arrival. The further downward movement of maize prices was prevented with the news of MV - TRUONG MINH and MV - SHANGHAI PRIDE vessel handled by PEARL Group carrying 3500 and 13 500 tonnes of maize for export will sail on October 29 and 30 respectively to the unknown destination from Tuticorin Port. The global corn production forecast is unchanged at 766 million tonnes, 70 million more than in 2007. World maize stocks are forecast at 112 million tonnes, 9m. more than last month.

Domestic Spot Market Prices

| Market | Variety | Prices (Rs/qrtl) | | Change | Arrivals |
|--------------------------|-----------------------|------------------|----------|--------|-------------|
| | | 27-0-07 | 26.10.07 | | |
| Delhi (ex-godown) | Red Maize (Atta Qlty) | 810 | 810 | - | 7 motors |
| Nizamabad (Bilty) | Red Maize (New) | 665 | 665-670 | -5 | 15 000 qtls |
| Davangere (Bilty) | Red Maize (New) | 665 | 665 | - | 10 000 qtls |
| Naugachia, Bihar (Loose) | Red Maize | 700 | 715-720 | -20 | 2 motors |
| Ahmedabad | Poultry feed mills | 740-750 | 740-750 | - | 10000 qtls |
| Ahmedabad | Starch | 735 | 730-740 | -5 | |
| Pune | Starch Quality | 680 | 700 | -20 | 10 000 qtls |
| Pune | Sangli truck Bilty | 625 | 620-630 | -5 | |

International Futures Quotes (as of October 26, 2007)**CBOT**

| Contract Month | Open | High | Low | Settle | Change |
|----------------|--------|--------|--------|--------|--------|
| December 2007 | 370.00 | 374.50 | 370.00 | 372.00 | +5.75 |
| March 2008 | 386.50 | 391.00 | 386.50 | 388.75 | +5.75 |
| May 2008 | 397.00 | 400.50 | 397.00 | 399.00 | +6.50 |

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

CBOT corn futures settled up Friday. December Corn finished up 5.75 cents at \$372.00 per bushel; this was 2.5 off the high and 2.5 up from the low. March Corn closed up 5.75 cents at \$388.75 per bushel. This was 2.25 up from the low and 2.25 off the high. Despite the sell off in wheat and weaknesses in soybean, corn futures settled higher on lack of aggressive selling. The market also found good buying support. Weaknesses in the US dollar paved the way for speculative buying. Outside market forces continue to have a positive impact on the corn market as record high energy prices, a new low in the US dollar and a surge in most other commodity markets and grain markets helped support solid gains early in the session. Solid demand despite the rise in prices into harvest and a lack of aggressive selling pressures into the tail end of harvest has added to the bullish tone. Dry weather in the forecast for the western Corn Belt should help boost harvest progress. News of disruption in the flow of fertilizer on the world market added to the bullish longer-term psychology of the market as traders fear a sharp drop in planted area for corn for 2008.

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FUTURES MARKETS:

Maize futures at NCDEX settled higher Saturday. Maize futures opened firm at Rs.698.00/qtl against the previous close of Rs.697.00/qtl. Contract then traded up on increased buying interest at lower level and tested the high of Rs.712.00/qtl. Prices settled up at Rs.710.00, up of Rs.13.00/qtl against the previous close of Rs.697.00/qtl. The most active November contract traded in the range of Rs.698.00-712.00/qtl. In November contract, volume increased marginally while open interest decreased marginally.

PRICE DRIVERS:**Bullish:**

- AP MARKFED Procured 10 000 tonnes

Bearish:

- Increased Production
- The global corn production forecast is unchanged at 766 million tonnes, 70 million more than in 2007
- Increased arrivals

TECHNICALS:

A robust bullish candlestick has formed in the chart shows firmness in prices. Prices closed above the 9 and 18-days EMA indicates medium term firmness in market. MACD is moving up in the positive territory. Both Stochastic and RSI is moving up in the neutral region indicates bulls return into the market. Maize is likely to trade range bound with firm bias with some late downward movement.

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

| Month | S2 | S1 | PCP | R1 | R2 |
|----------|-----|-----|-----|-----|-----|
| November | 692 | 696 | 710 | 728 | 733 |

RECOMMENDATION:

BUY NCDEX - November above 712 with target 718, then 720. Put stop loss near 709.

Do not carry forward the position until the next day.

Weather Impact Analysis

Fairly widespread rainfall with isolated heavy falls are likely over south Andhra Pradesh and Tamil Nadu coast during next 48 hours and increase thereafter., which may hamper crop harvest.

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