

■ MAIZE

■ Nov. 01, 2007

Domestic Market Recap

During Wednesday's trade, maize spot prices surged on good export demand coupled with wet weather amid tight supply of dried crops from the producing centres. Incessant rainfalls over southern India hampered the crop harvesting as well as drying up of crops. Due to India's quality crop and lower export rate of \$40 per MT FOB compared to global export price, most of the India's neighbouring countries looking for India's maize, which further added the positive tone to the market sentiment. Nizamabad and Davangere wagon bilty mostly traded at higher side on good export demand against a very tight supply of 4000 and 2000 tonnes respectively. Till date, AP MARKFED procured around 25000 tonnes of maize. Markets also witnessed good demand from the Punjab and Haryana starch and poultry industries. Delhi red maize and hybrid (UP) traded up at Rs.810-815 and Rs.755 on good demand against the daily arrival of 6 and 12 motors. Bajra traded up on good demand despite sustained supply. Due to lack of buyers in Kolkata, both Naugachia (Bihar) loose basis and Kolkata mill quality traded lower. Pune starch quality and Sangli truck bilty mostly traded steady to lower on subdued demand from the starch processors against the arrival of 12000 qtls. In coming days, maize may trade at higher side due to good export demand along with less moisture content crop.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qty)		Change	Arrivals
		31.10.07	30.10.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	810-815	810	+5	6 motors
Nizamabad (Bilty)	Red Maize (New)	700	690	+10	4 000 qtls
Davengere (Bilty)	Red Maize (New)	685-690	675	+15	2000 qtls
Naugachia, Bihar (Loose)	Red Maize	700-710	700-715	-5	6 motors
Ahmedabad	Poultry feed mills	735	700-735	-	7000 qtls
Ahmedabad	Starch	735	730	+5	
Pune	Starch Quality	670	680	-10	12 000 qtls
Pune	Sangli truck Bilty	625	625	-	

International Futures Quotes (as of October 30, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	371.75	373.50	368.75	370.25	-5.75
March 2008	388.50	390.25	385.75	387.50	-5.50
May 2008	398.75	400.25	396.00	396.75	-6.00

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

CBOT corn futures settled down Tuesday. December Corn finished down 5.75 cents at \$370.25 per bushel; this was 3.75 off the high and 1.5 up from the low. March Corn closed down 5.5 cents at \$387.50 per bushel. This was 1.75 up from the low and 2.75 off the high. After gains, CBOT futures closed lower Tuesday. The weaknesses in other commodity markets like crude oil, gold market as well as jump in US dollar added the negative tone to the market sentiment. Harvesting pressure as well as aggressive selling pulled down prices. Weather also looks favourable for the harvesting. The weekly crop update showed that the corn harvest had reached 73% complete compared to 60% last week and 65% last year. The 10 year average for this time of year is 73%. Iowa is 63% complete from 73% as the 10-year average. Demand news remains favorable as well with South Korea tendering for 110,000 tonnes of corn, Taiwan 29,000 tonnes of US corn and the Philippines for 70,000 tonnes.

■ MAIZE

■ Nov. 01, 2007

FUTURES MARKETS:

Maize December futures at NCDEX settled lower Wednesday. Maize futures opened weak at Rs.756.00/ql against the previous close of Rs.764.00/ql and traded up on increased buying interest at lower level and tested the high of Rs.770.00. However, prices traded down thereafter on increased selling pressure at higher level and tested the low of Rs.743.00. Prices settled down at Rs.745.00, down of Rs.19.00/ql against the previous close of Rs.764.00/ql. The most active December contract traded in the range of Rs.743.00-770.00/ql. In December contract, volume declined significantly while open interest increased marginally. November contract traded in the range of Rs.714.00-733.00.

PRICE DRIVERS:**Bullish:**

- Harvesting Delayed
- Good overseas demand

Bearish:

- Poultry Industries gradually shifting to Soymeal
- The global corn production forecast is unchanged at 766 million tonnes, 70 million more than in 2007
- Lower demand for the higher moisture content maize

TECHNICALS:

A dark candlestick with long upper shadow shows selling pressure at higher level. However, prices closed above the 9 and 18-days EMA indicates medium term firmness in market. MACD is moving up in the positive territory. Stochastic is flatter in the overbought region while RSI is dipping in the neutral regions indicates market reversal. Maize is likely to trade range bound with weak bias with some late upward movement.

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

Month	S2	S1	PCP	R1	R2
December	726	731	745	763	770

RECOMMENDATION:

SELL NCDEX - December below 745 with target 739, then 737. Put stop loss near 748.

Do not carry forward the position until the next day.

Weather Impact Analysis

Isolated rainfall is likely over Andhra Pradesh which may obstruct harvesting as well as delaying the drying of crops.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>