

## ■ MAIZE

■ Oct. 12, 2007

**Domestic Market Recap**

At most of the major domestic mandis, Maize spot prices firmed up on good offtake from the stockists and suppliers amid restricted supply. But Ahmedabad poultry feed mills quality traded lower on subdued demand from the poultry industries against the daily arrival of 150 bags. In domestic markets, maize mostly traded up on the report of vessels waiting for berth, viz., BADULU VALLEY, MEDHUFARU and SHANGHAI PRIDE on October 11, 13 and 13 with the capacity of 3,850, 1,800 and 13,500 tonnes maize respectively to unknown destinations. In Delhi, red maize (Bihar) quoted higher at Rs.780-800 on good demand against the restricted arrival of 2 motors. Naugachia (Bihar) loose basis traded steady on a routine-demand supply situation. On a tight supply, Kolkata (mill delivery) traded up against a strong demand from the starch and poultry industries. Nizamabad market remained closed on Thursday due to new moon. In Delhi mandis, hybrid (UP) quoted steady at Rs.730-735 against the steady arrival of 12 motors. Bajra quoted steady at Rs.625 on good demand. In coming days, maize is likely to trade range bound with weak bias against healthy arrival of fresh crops with higher moisture content (above 12%).

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qttl)		Change	Arrivals
		11.10.07	10.10.07		
Delhi (ex-godown)	Red Maize (Bihar)	780-800	780	+20	2 motors
Nizamabad (Bilty)	Red Maize (New)	-	630	-	
Davangere (Bilty)	Red Maize (New)	575-620	570-615	+5	4000 qtls
Naugachia, Bihar (Loose)	Red Maize	710-715	710-715	-	6 motors
Ahmedabad	Poultry feed mills	760-770	780	-10	150 bags
Ahmedabad	Starch	750-755	750	+5	
Pune	Starch Quality	730-740	730	+10	16 000 bags
Pune	Sangli truck Bilty	650-655	650	+5	

**International Futures Quotes (as of October 10, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	343.50	348.50	343.25	347.25	+4.75
March 2008	359.50	365.00	359.50	364.25	+4.75
May 2008	370.00	375.00	370.00	374.25	+5.00

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

CBOT corn futures settled higher Wednesday. December Corn finished up 3.75 cents at \$347.25 per bushel; this was 1.25 off the high and 2.5 up from the low. March Corn closed up 4.75 cents at \$364.25 per bushel. This was 2.75 up from the low and .25 off the high. Corn futures settled moderately higher with the strong support from the soy markets. During the early session, market found support from the report of lower soy crop yield. South Korea bought 55,000 tonnes of non-GMO corn overnight. Harvest is now 42% complete as compared with the 10-year average of 32%. For the USDA Supply/Demand report for Friday morning, traders are looking for 2007/08 ending stocks to come in near 1.965 billion bushels as compared with 1.675 billion posted in the September USDA report. Crop Production is expected to come in near 13.466 billion bushels as compared with 13.308 billion posted in the September USDA report.

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### FUTURES MARKETS:

Maize futures at NCDEX traded weak Thursday. Maize futures opened firm at Rs.703.50/ctl against the previous close of Rs.702.00/ctl. Contract then traded down on some selling pressure at higher level and touched the low of Rs.690.00/ctl. Prices settled down at Rs.691.50, down of Rs.10.50/ctl against the previous close of Rs.702.00/ctl. The most active November contract traded in the range of Rs.690.00-703.50/ctl. In November contract, volume decreased significantly while open interest increased marginally.

### PRICE DRIVERS:

#### Bullish:

- Good export orders
- Consumption to rise 2.4 million tonnes, up 66%
- Lower Stock in NCDEX Warehouses

#### Bearish:

- Starch Industries appeal to government to stop maize export.
- Kharif Maize acreage stood around 74.55 lakh ha against 68.44 lakh ha last year till date.
- 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 strong dark Candlestick has formed shows weaknesses in prices. Prices closed well below the 9 and 18-days EMA indicating resistance at higher level. MACD is dipping in the negative region. Stochastic is moving upward in the oversold region. RSI is dipping in the oversold region. Maize is likely to trade range bound with weak bias with possibility of some late upward movement.

### NCDEX Maize November Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
November	672	677	691.5	709	715

### RECOMMENDATION:

**SELL NCDEX** - November below 695 with target 689, then 687. Put stop loss near 698.

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

### Weather Impact Analysis

IMD forecast on 11<sup>th</sup> Oct., Southwest monsoon is likely to withdraw from more parts of east & Central India and Maharashtra which is favourable for crop harvest.

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