

■ MAIZE

■ Oct. 30, 2007

Domestic Market Recap

During Monday's trade, maize spot prices mostly traded steady to better on robust demand from the Bangladesh and Sri Lanka along with growing domestic demand from the maize processors. But Ahmedabad poultry feed mills quality dipped on subdued demand from the poultry industries against increased arrival of 12000 qtls. As per the trade sources, poultry industries which consumes nearly 60-65 per cent products gradually shifting to soyameal. Both Nizamabad and Davangere wagon bilty quoted higher on good domestic and export demand amid daily arrival of 10 000 and 8 000 qtls dried (less moisture content) crops. Prices were also found support as recently cyclone and rainfall over the AP, Karnataka and T Nadu obstructed the maize harvesting. 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 sailing on October 29 and 30 respectively to the unknown destination from Tuticorin Port further added the positive tone. Increasing ethanol demand also imparted bullish sentiment. Despite the arrival of crops from Nizamabad, on good demand, Kolkata (mill quality) traded higher. Delhi red maize, hybrid (UP) and Naugachia (Bihar) loose basis traded steady on a steady demand from the suppliers and stockists. Bajra quoted at Rs.645 on good demand. World maize stocks are forecast at 112 million tonnes.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals
		29.10.07	27.10.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	810	810	-	7 motors
Nizamabad (Bilty)	Red Maize (New)	690	665	+25	10 000 qtls
Davangere (Bilty)	Red Maize (New)	675	665	+10	8 000 qtls
Naugachia, Bihar (Loose)	Red Maize	700	700	-	3 motors
Ahmedabad	Poultry feed mills	740	740-750	-10	12000 qtls
Ahmedabad	Starch	730-735	735	-	
Pune	Starch Quality	675	680	-5	15 000 qtls
Pune	Sangli truck Bilty	625	625	-	

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.

■ MAIZE

■ Oct. 30, 2007

FUTURES MARKETS:

Maize futures at NCDEX settled higher Monday. Maize futures opened firm at Rs.711.50/ctl against the previous close of Rs.709.50/ctl. Contract then traded up on increased buying interest at lower level and tested the high of Rs.726.50/ctl. Prices settled up at Rs.723.50, up of Rs.14.00/ctl against the previous close of Rs.709.50/ctl. The most active November contract traded in the range of Rs.711.50-726.50/ctl. In November contract, volume increased significantly while open interest decreased marginally.

PRICE DRIVERS:**Bullish:**

- AP MARKFED Procured 10 000 tonnes
- Good overseas demand
- Less moisture content of New crops

Bearish:

- Poultry Industries gradually shifting to Soymeal
- 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. Stochastic is about to enter into overbought region and RSI has entered into the overbought region indicates bullish sentiment. 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	698	705	723.5	739	744

RECOMMENDATION:

BUY NCDEX - November above 722 with target 730, then 732. Put stop loss near 718.

Do not carry forward the position until the next day.

Weather Impact Analysis

Fairly widespread rainfall with isolated heavy to very heavy falls are likely over Tamil Nadu & Puducherry, north Coastal Andhra Pradesh, interior Karnataka and Kerala during next 48 hours and decrease thereafter.

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>