

■ MAIZE

■ Oct. 13, 2007

Domestic Market Recap

During Friday, Maize spot prices traded steady to mostly firm on good offtake from the stockists and suppliers amid restricted supply. Markets also found support from the rising domestic demand of the poultry industries. Ahmedabad poultry feed mills quality and Naugachia (Bihar) loose basis traded higher at Rs.780-800/mt and Rs.715-730 against the restricted arrival of 100 bags and 3 motors respectively. But Ahmedabad starch quality traded down on subdued demand from the starch manufacturers. However, on a routine demand-supply situation, Delhi red maize (Bihar), Nizamabad and Davangere bilty quoted steady against steady to slightly improved arrivals. Prices at Kolkata (Mill Delivery) also firmed up on good demand against a restricted supply. With some export orders along with local demands, Pune starch quality and Sangli truck bilty quoted up Rs.750 and Rs.650-660 respectively against the daily arrival of 14000 bags. In Delhi mandis, hybrid (UP) quoted steady at Rs.730-735 against the steady arrival of 12 motors. Bajra quoted down at Rs.620 on subdued demand. In coming days, maize is likely to trade range bound with weak bias against healthy arrival of fresh crops.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/mt)		Change	Arrivals
		12.10.07	11.10.07		
Delhi (ex-godown)	Red Maize (Bihar)	780-800	780-800	-	2 motors
Nizamabad (Bilty)	Red Maize (New)	675	-	-	15-20 000 bg
Davangere (Bilty)	Red Maize (New)	670-675	670-675	-	5000 qtls
Naugachia, Bihar (Loose)	Red Maize	715-730	710-715	+15	3 motors
Ahmedabad	Poultry feed mills	780-800	760-770	+30	100 bags
Ahmedabad	Starch	750	750-755	-5	
Pune	Starch Quality	750	730-740	+10	14 000 bags
Pune	Sangli truck Bilty	650-660	650-655	+5	

International Futures Quotes (as of October 11, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	348.00	348.00	341.50	343.75	-3.50
March 2008	365.00	365.00	358.00	360.75	-3.50
May 2008	374.50	374.50	368.50	370.75	-3.50

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

CBOT corn futures settled lower Thursday. December Corn finished down 3.5 cents at \$343.75 per bushel; this was 4.25 off the high and 2.25 up from the low. March Corn closed down 3.5 cents at \$360.75 per bushel. This was 2.75 up from the low and 4.25 off the high. CBOT corn futures settled lower as market looked for the Friday's USDA crop production and supply-demand report as they are expecting a bearish corn production estimate. However, Strength in the soybean market and the positive influence of outside markets like surge in crude oil and gold and a drop in the US dollar helped spark the early gains. Surging wheat prices and solid gains in soybeans help lift the market off of the mid-session lows into the close. Israel bought 100,000 tonnes of US corn and 40,000 tonnes of US corn products. The USDA announced a sale of 103,632 tonnes of US corn to Japan. Crop Production is expected to come in near 13.466 billion bushels as compared with 13.308 billion posted in the September USDA report. For the weekly export sales report, also released before the opening, traders are looking for corn sales near 700,000-1.1 million tonnes as compared with 1.15 million tonnes last week.

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FUTURES MARKETS:

Maize futures at NCDEX traded weak Friday. Maize futures opened firm at Rs.694.00/ctl against the previous close of Rs.693.00/ctl. Contract then traded down on some selling pressure at higher level and touched the low of Rs.687.00/ctl. Prices settled down at Rs.690.00 down of Rs.3.00/ctl against the previous close of Rs.693.00/ctl. The most active November contract traded in the range of Rs.687.00-694.00/ctl. In November contract, volume decreased significantly while open interest decreased 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 dark Candlestick has formed shows weaknesses in prices. Prices closed well below the 9 and 18-days EMA indicating bearish trend. MACD is dipping in the negative territory. Stochastic is hesitant to move up from the oversold region. RSI is dipping in the neutral 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	690	703	708

RECOMMENDATION:

SELL NCDEX - November below 692 with target 686, then 684. Put stop loss near 695.

Do not carry forward the position until the next day.

Weather Impact Analysis

IMD forecast on 11th Oct., Rain/thundershowers are likely at a few places over Tamil Nadu, Kerala, Lakshadweep and Coastal Karnataka which may obstruct maize harvest.

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