

■ MAIZE

■ Oct. 25, 2007

Domestic Market Recap

During Wednesday's trade, in most of the major mandis, maize prices mostly traded steady to better on good offtake amid sustained fresh crop supply. Some markets witnessed good buying from the starch manufacturers and poultry industries during Wednesday's trade. On good export orders as well as domestic demand, Davangere bilty traded up Rs.665 against the previous level Rs.645 against the restricted arrivals of 20 000 qtls. Prices also found support as Karnataka Farmers stopped selling to government agencies in await of state government's response for the increased bonus of Rs.40 while in Andhra Pradesh, AP MARFED has already procured 10,000 tonnes of maize in the price level of Rs.620 out of the set target of 500,000 tonnes, government agencies reported. Pune starch quality and Sangli truck bilty firmed up on demand from the suppliers and stockists. Major producing centres also witnessed good export demand. On good buying from the Punjab and Haryana starch manufacturers and Poultry industries, Delhi red maize (atta qlty) as well as hybrid (UP) maize traded steady against the steady arrival of 6-7 and 14 motors while Bajra traded up at Rs.640. In coming days, maize may traded up as farmers demanding additional bonus of Rs.40/ctl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals
		24-0-07	23.10.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	800-805	800-805	-	6-7 motors
Nizamabad (Bilty)	Red Maize (New)	665-670	665-675	-5	55 000 qtls
Davangere (Bilty)	Red Maize (New)	665	645	+20	20 000 qtls
Naugachia, Bihar (Loose)	Red Maize	710-725	710-725	-	2 motors
Ahmedabad	Poultry feed mills	750-755	750-760	-5	400 qtls
Ahmedabad	Starch	750-755	750-760	-5	
Pune	Starch Quality	680	675	+5	10 000 qtls
Pune	Sangli truck Bilty	620	600	+20	

International Futures Quotes (as of October 23, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	367.00	368.50	359.50	361.00	-3.50
March 2008	383.75	384.75	376.25	377.75	-3.25
May 2008	394.00	395.00	387.50	388.50	-3.25

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

CBOT corn futures settled down Tuesday. December Corn finished down 3.5 cents at \$361.00 per bushel; this was 7.5 off the high and 1.5 up from the low. March Corn closed down 3.25 cents at \$377.75 per bushel. This was 1.5 up from the low and 7 off the high. The market could follow the Monday's gain and the weaknesses in wheat prices. The corn market although traded higher on the influence of weak dollar and early gains in soy bean but could not sustain due increased selling pressure at higher level. Harvest is not as far along as expected but a dry outlook for the northwestern Corn Belt this week suggests more active harvest. Talk of harvest selling helped pressure the market late in the day. The USDA pegged corn harvested area at 60% complete as compared with trade expectations at 60-63% and 51% last year. The 10 year average for this time of year is 58%. Iowa is 41% complete from 46% as the 5-year average. The Philippines cancelled a tender to buy 70,000 tonnes of corn due to high prices.

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FUTURES MARKETS:

Maize futures at NCDEX traded firm Wednesday. Maize futures opened weak at Rs.689.00/ctl against the previous close of Rs.689.50/ctl. Contract then traded up on some buying interest at the lower level and tested the high of Rs.696.00/ctl. Prices settled up at Rs.693.50, up of Rs.4.00/ctl against the previous close of Rs.689.50/ctl. The most active November contract traded in the range of Rs.689.00-696.00/ctl. In November contract, volume decreased marginally while open interest increased marginally.

PRICE DRIVERS:**Bullish:**

- AP MARFED Procured 10 000 tonnes
- Good Export Demand
- Good Poultry and Starch industries demand

Bearish:

- Increased Production
- The US Grains Council India report quoting the USDA said the new estimate for US corn crop of 2007-08 has been projected at 338.27 million tonnes, higher by 26 per cent than the 2006-07 crop of 267.57 million tonnes.
- Increased arrivals

TECHNICALS:

A bullish candlestick has formed in the chart shows bulls return to the market. Prices closed below the 18-day EMA shows medium term bearish sentiment. MACD is moving up in the negative territory. Both Stochastic as well as RSI is moving up in the neutral region shows return of bulls 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	677	682	693.5	708	713

RECOMMENDATION:

BUY NCDEX - November above 692 with target 698, then 700. Put stop loss near 689.

Do not carry forward the position until the next day.

Weather Impact Analysis

Rain/thundershowers are likely at many places over Tamil Nadu, Kerala, Karnataka and Coastal Andhra Pradesh.

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