

CEREAL

Agriwatch
DAILY

■ MAIZE

■ Oct. 27, 2007

Domestic Market Recap

During Friday's trade, on lower buying from the starch manufactures and poultry industries, maize spot prices in major markets traded steady to mostly lower amid ample fresh dried crop arrivals. However, on good export demand coupled with the domestic demand, Pune starch quality and Sangli truck bilty quoted higher at Rs.700 and Rs.620-630/qtl against the daily arrival of 8000 qtls. In major producing centres like Davangare (Karnataka) and Nizamabad (AP) bilty traded steady to down on lower demand against the sustained arrival of 14000 and 25000 qtls. On lower demand from Haryana and Punjab starch makers and poultry industries, Delhi red maize and hybrid (UP) traded lower amid the arrival of 7-8 and 15 motors respectively. Bajra quoted up Rs.645/qtl on good offtake from the consuming units. Naugachia (Bihar) loose basis and Kolkata (Mill Delivery) also quoted down on a subdued demand against the steady arrival. On normal demand, Ahmedabad poultry feed mills and starch quality traded steady to lower against the arrival of 10000 qtls. Procurement of maize by the govt. agencies in AP has been picked up the pace while Karnataka farmers not selling their products to the govt. agencies in the present price level of Rs.620. In future, maize may trade at higher side on good domestic and export demand.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		26-0-07	25.10.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	810	800-815	-5	7-8 motors
Nizamabad (Bilty)	Red Maize (New)	665-670	685	-15	25 000 qtls
Davangere (Bilty)	Red Maize (New)	665	662-665	-	14 000 qtls
Naugachia, Bihar (Loose)	Red Maize	715-720	725	-5	2 motors
Ahmedabad	Poultry feed mills	740-750	750	-	10000 qtls
Ahmedabad	Starch	730-740	730-745	-5	
Pune	Starch Quality	700	680	+20	8 000 qtls
Pune	Sangli truck Bilty	620-630	620	+10	

International Futures Quotes (as of October 25, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
December 2007	361.00	367.00	359.25	366.25	+9.75
March 2008	378.00	384.00	376.00	383.00	+9.50
May 2008	387.25	393.75	386.75	392.50	+9.00

International Market Recap

CBOT Corn Futures Settled Up

CBOT corn futures settled up Thursday. December Corn finished up 9.75 cents at \$366.25 per bushel; this was .75 off the high and 7 up from the low. March Corn closed down 9.5 cents at \$383.00 per bushel. This was 7 up from the low and 1 off the high. The surge in higher in crude oil to new all-time highs along with a break in the US dollar and higher gold prices supported the gain in early sessions. Good buying at the higher level also supported the corn futures settled higher. Strong export sales despite record high freight rates added to the bullish tone. Weekly US export sales for corn came in at 1.546 million metric tonnes as compared to trade expectations between 1.0-1.3 million tonnes. Cumulative sales have reached 45.6% of the USDA forecast for the entire marketing year as compared to 30.3% on average over the last five years. Sales of 717,300 metric tonnes per week are needed to reach the USDA estimate. South Korea cancelled their overnight tender to buy 110,000 tonnes of optional-origin non-GMO corn. The western Corn Belt forecast is dry and producer harvest should push ahead in the next 5 days.

■ MAIZE

■ Oct. 27, 2007

FUTURES MARKETS:

Maize futures at NCDEX settled higher Friday. Maize futures opened firm at Rs.693.50/ctl against the previous close of Rs.691.00/ctl. Contract then traded up on increased buying interest at lower level and tested the high of Rs.698.50/ctl. Prices settled up at Rs.696.00, up of Rs.5.00/ctl against the previous close of Rs.691.00/ctl. The most active November contract traded in the range of Rs.693.50-698.50/ctl. In November contract, volume increased marginally while open interest decreased marginally.

PRICE DRIVERS:**Bullish:**

- AP MARKFED 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:

Candlestick chart pattern 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 negative territory. Both Stochastic and RSI is moving up in the neutral region indicates bulls return 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	696	712	718

RECOMMENDATION:

BUY NCDEX - November above 695 with target 700, then 702. Put stop loss near 692.5.

Do not carry forward the position until the next day.

Weather Impact Analysis

Isolated to heavy rainfall are likely at many places over Tamil Nadu, Kerala, Karnataka and Coastal Andhra Pradesh in next 48 hours, which may harm crop harvest.

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>

© 2007 Indian Agribusiness Systems Pvt Ltd.

COMMODITIES RESEARCH