

## ■ MAIZE

■ Oct. 10, 2007

**Domestic Market Recap**

During Tuesday's trade, Maize spot prices in domestic mandis mostly traded steady to lower on lack of buying interest amid sustained supply. However, Delhi red maize (Bihar) quality, Naugachia (Bihar) loose basis and Ahmedabad and Pune Starch quality traded steady on a routine demand-supply situation. But Nizamabad bilty, Davangere bilty and Sangli truck bilty quoted lower on improved arrival against a subdued demand from the consuming units. Meanwhile, starch industries appeal to the Ministry of Commerce to ban maize export in order to stabilise the domestic prices and ensure sufficient availability for the domestic consumption further added the negative tone to the market sentiment. In Koraput district, Orissa, farmers are now selling a pack of dozen maize at Rs.5/, which was used to be sold for Rs.10, lowest price in the last one decade. Things went wrong this year, as traders from the neighbouring countries could not lift stocks as major roads were badly damaged due to heavy rainfall and the lack of a food processing industry. In Delhi mandis, red maize (Bihar) quality quoted steady at Rs.775/qtl against the steady arrival of 6 motors and hybrid (UP) quoted steady at Rs.725 against the arrival of 16-18 motors while Bajra quoted down at Rs.605. In coming days, maize trade range bound with firm bias as government is providing good minimum support price.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		09.10.07	08.10.07		
Delhi (ex-godown)	Red Maize (Bihar)	775	775	-	6 motors
Nizamabad (Bilty)	Red Maize (New)	615-620	621-622	-2	15-20000 qtls
Davangere (Bilty)	Red Maize (New)	580-620	580-621	-1	5-6000 qtls
Naugachia, Bihar (Loose)	Red Maize	720-725	720-725	-	3-4 motors
Ahmedabad	Poultry feed mills	810-820	830	-10	50 bags
Ahmedabad	Starch	770	770	-	
Pune	Starch Quality	760-770	770	-	22 000 bags
Pune	Sangli truck Bilty	680	690	-10	

**International Futures Quotes (as of October 8, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	342.25	342.50	335.00	339.75	-2.50
March 2008	358.25	359.00	352.00	356.25	-2.75
May 2008	369.00	369.00	362.50	367.00	-2.50

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

CBOT corn futures settled lower Monday. December Corn finished down 2.5 cents at \$339.75 per bushel; this was .25 off the high and 4.75 up from the low. March Corn closed down 2.75 cents at \$356.25 per bushel. This was 4.25 up from the low and .5 off the high. Due to additional long liquidation selling pressure, corn futures traded down and touched the lowest level in the early session since September 7. With the continued harvesting pressure along with higher ending stocks further added the negative tone. A sharp break in wheat, weaknesses in soybean and bearish sentiment in other commodities further supported the down ward trend. Weakness in energy futures and a sharp break in metals and other commodity markets added to the bearish tone. China's corn output which is forecasted unchanged at last year's level at 149 million tonnes further added the bearish tone. Israel is tendering to buy up to 50,000 tonnes of US corn.

## ■ MAIZE

■ Oct. 10, 2007

**FUTURES MARKETS:**

Maize futures at NCDEX traded firm Tuesday. Maize futures opened weak at Rs.686.00/qtl against the previous close of Rs.688.00/qtl and traded down on some selling pressure at higher level and touched the low of Rs.685.50/qtl. However, prices recovered thereafter on some buying interest at lower level and tested the high of Rs.702.00/qtl. Prices settled up at Rs.699.50, up of Rs.11.50/qtl against the previous close of Rs.688.00/qtl. The most active November contract traded in the range of Rs.685.50-702.00/qtl. In November contract, volume increased significantly while open interest decreased marginally.

**PRICE DRIVERS:****Bullish:**

- Growing demand from the poultry industry
- 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 bullish Candlestick has formed in chart indicates firmness in prices. However, prices closed below the 9 and 18-days EMA indicating medium term weakness in market. MACD is dipping in the negative region. Stochastic is moving downward in the oversold region. RSI is recovering from the oversold region favours bulls. Maize is likely to trade range bound with firm bias with possibility of some late downward movement.

**NCDEX Maize November Contract****SUPPORT / RESISTANCES:**

Month	S2	S1	PCP	R1	R2
November	679	685	699.5	710	715

**RECOMMENDATION:**

**BUY NCDEX** - November above 694 with target 700, then 702. Put stop loss near 691.

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

**Weather Impact Analysis**

IMD forecast on 9<sup>th</sup> Oct., Isolated rain/thundershowers are likely over Tamil Nadu, Coastal Karnatka, Kerala.

**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>