

## ■ MAIZE

■ Oct. 15, 2007

**Domestic Market Recap**

During Saturday, Maize spot prices mostly traded steady to lower on subdued demand from the starch manufactures and poultry industries against slightly increased arrivals. Markets also witnessed lack of export orders. Arrival of fresh crops in some mandis further pulled down the maize prices. In Delhi red maize (Bihar) and Nizamabad bilty traded steady Rs.790-800 and Rs.675/qrtl against the steady arrival of 2 motors and 15-20000 qtls. However, prices dipped in Pune starch quality and Sangli truck bilty on a lower offtake from the buyers against the increased arrival of 17000 bags. In Ahmedabad starch quality and poultry feed mills and Naugachia (Bihar) loose basis traded steady on a steady demand-supply situation. In Delhi mandis, hybrid (UP) quoted up at Rs.740 against the steady arrival of 12 motors. Bajra quoted down at Rs.615 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/qrtl)		Change	Arrivals
		13.10.07	12.10.07		
Delhi (ex-godown)	Red Maize (Bihar)	790-800	780-800	-	2 motors
Nizamabad (Bilty)	Red Maize (New)	675	675	-	15-20 000 bg
Davangere (Bilty)	Red Maize (New)	670	670-675	-5	7000 qtls
Naugachia, Bihar (Loose)	Red Maize	720-730	715-730	-	3 motors
Ahmedabad	Poultry feed mills	780-800	780-800	-	50 bags
Ahmedabad	Starch	750	750	-	
Pune	Starch Quality	680-715	750	-35	17 000 bags
Pune	Sangli truck Bilty	620-630	650-660	-30	

**International Futures Quotes (as of October 12, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	353.00	357.50	347.75	351.00	+7.25
March 2008	369.50	374.00	365.00	367.75	+7.00
May 2008	380.00	384.00	374.75	378.25	+7.50

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

CBOT corn futures settled up Friday. December Corn finished up 7.25 cents at \$351.00 per bushel; this was 6.5 off the high and 3.25 up from the low. March Corn closed up 7 cents at \$367.75 per bushel. This was 2.75 up from the low and 6.25 off the high. Chicago Board of Trade corn futures settled with moderate gains, boosted by short covering and technical buying after the USDA estimated corn production well below the average analyst estimate. As the production estimate figure was lower than the expected, it led to short covering and technical buying. Market also found support from other grains. The USDA pegged US corn production at 13.318 billion bushels as compared with the average trade estimate at 13.466 billion bushels and compared with 13.308 billion posted in the September USDA report. Harvested acreage was adjusted higher by 700,000 acres but yield was adjusted down to 154.7 bushels per acre, down from 155.8 last month. US Ending stocks for 2007/08 were pegged at 1.997 billion bushels as compared with the average trade estimate of 1.965 billion bushels and compared with 1.675 billion posted in the September USDA report. World corn ending stocks came in at 110.36 million tonnes up from 105.44 million last month and up from 105.05 million for 2006/07. The supply numbers were somewhat supportive but the USDA lowered feed usage by 150 million bushels and ethanol usage by 100 million bushels. The China corn crop was pegged at 143 million tonnes, down 4 million from last month.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded weak Saturday. Maize futures opened flat at Rs.690.00/qtl against the previous close of Rs.690.00/qtl and initially traded up on some buying interest at lower level and tested the high of Rs.691.50. However, prices traded down thereafter on some selling pressure at higher level and touched the low of Rs.687.00/qtl. Prices settled down at Rs.689.00 down of Rs.1.00/qtl against the previous close of Rs.690.00/qtl. The most active November contract traded in the range of Rs.687.00-691.50/qtl. In November contract, volume decreased while open interest increased marginally.

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

- Consumption to rise 2.4 million tonnes, up 66%

**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 doji Candlestick has formed shows indecision in prices. Prices closed well below the 9 and 18-days EMA indicating bearish trend. MACD is dipping in the negative territory. Both Stochastic and RSI is dipping in the neutral region shows weaknesses in prices. Maize is likely to trade range bound with weak bias.

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

Month	S2	S1	PCP	R1	R2
November	672	677	689	704	711

**RECOMMENDATION:**

**SELL NCDEX** - November below 690 with target 684, then 682. Put stop loss near 693.

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

**Weather Impact Analysis**

IMD forecast on 12<sup>th</sup> 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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