

## ■ MAIZE

■ Dec. 14, 2007

**Domestic Market Recap**

During Thursday's trade, in most of the major mandis, maize spot prices traded steady to better on good demand from the private companies as well as good overseas demand amidst steady supply. However, Ahmedabad starch quality and poultry feed mills quoted lower on normal offtake against sustained supply of 20 000 qtls. Nizamabad maize wagon bilty propped up on good export demand along with demand from Kolkata millers against the steady supply of 1000 bags. Davangere wagon bilty and Delhi red maize and hybrid (UP) maize quoted steady to better on good offtake by the maize industries amidst steady supply. However, Pune starch quality and Sangli truck bilty traded firm on good overseas demand against steady supply of 30 000 qtls. In Delhi, Bajra quoted down Rs.618-620 for the lower grade quality while good quality Bajra traded in the range of Rs.655-670/qrtl against the ample daily arrival of 20-23 motors. Maize harvesting process is progressing well despite slightly drizzles on some parts of the southern region, sources reported. As per the sources, farmers are hesitant to sell to govt. agencies due to lower price of Rs.620/qrtl whereas private firms are buying at higher prices. Maize rabi plantation is progressing well in Bihar. In coming days, maize may trade range bound on good demand against ample supply.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		13.12.07	12.12.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	795	790-795	-	2 motors
Nizamabad Wagon (Bilty)	Red Maize (New)	730-735	730	+5	1000 qtls
Davengere Wagon (Bilty)	Red Maize (New)	715	715	-	40 000 qtls
Naugachia, Bihar (Loose)	Red Maize	715-720	715-720	-	7 motors
Ahmedabad	Poultry feed mills	775	780	-5	20 000 qtls
Ahmedabad	Starch	785	790	-5	
Pune	Starch Quality	725-730	725	+5	30 000 qtls
Pune	Sangli truck Bilty	660-665	655-660	+5	

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

Contract Month	Open	High	Low	Settle	Change
December 2007	407.50	417.25	407.50	416.75	+10.25
March 2008	425.00	433.75	424.00	433.25	+9.25
May 2008	434.75	444.50	434.75	444.25	+9.75

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

CBOT corn futures settled higher on Wednesday. March Corn finished up 9.25 cents at \$433.00 per bushel; this was .5 cent off the high and 9.25 cent up from the low. December Corn closed up 7 cent at \$449.25 per bushel. This was 6 up from the low and .5 off to the high. CBOT corn futures opened higher and for the whole day traded at higher side on continuous fund buying and higher energy prices and settled at higher side. Speculative buying also helped the corn prices. Good demand from the ethanol manufactures coupled with China's growing demand from feed industries supported the momentum. Goldman Sachs raised their 2008 price target for corn to \$5.30 from \$4.40 which added to the positive tone. France raised its stocks estimates for maize and barley due to a combination of higher maize production and lower barley exports. Japan bought 113,792 tonnes of US corn for delivery during the current marketing year. For the USDA weekly export sales report, traders are looking for corn sales near 1.1-1.3 million tonnes as compared with 1.059 million tonnes last week.

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**FUTURES MARKETS:**

Maize January futures at NCDEX settled slightly higher on Thursday. Maize futures opened firm at Rs.760.00 against the previous close of Rs.757.50/ctl and traded down on increased selling pressure at higher level and tested the low of Rs.754.00. However prices traded up thereafter on increased buying interest at lower level and tested the high of Rs.764.00. Prices settled up Rs.758.00, up of Rs.0.50 from the previous close of Rs.757.50. The most active January contract traded in the range of Rs.754.00-764.00/ctl. In January contract, volume decreased marginally and open interest increased marginally. December 07 contract traded in the range of Rs.730.00-738.00.

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

- Good Export Demand
- Estimated Poultry Industry Consumption around 8.21 MT
- Wet climate over the maize harvesting areas may disrupt harvesting

**Bearish:**

- Healthy Fresh Arrivals
- Lower buying by the stockists

**TECHNICALS:**

Candlestick chart pattern shows great fight between the bears and bulls. However, prices closed above the 9 and 18-days EMA indicate medium-term firmness in prices. MACD is moving up in the negative region. RSI is moving upward the neutral region and Stochastic flattering in the neutral region. Maize is likely to trade range bound with firm bias.

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

Month	S2	S1	PCP	R1	R2
January	731	740	756	773	779

**RECOMMENDATION:**

**BUY NCDEX** - January above 754 with target 761, then 764. Put stop loss near 750.5.

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

**Weather Impact Analysis**

Isolated to scattered rainfall activity is likely over T Nadu, Kerala, Karnataka and AP may obstruct harvesting and delay in supply.

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