

## ■ M A I Z E

■ Dec. 22, 2007

**Domestic Market Recap**

During Friday's trade, maize domestic spot prices mostly traded steady to down on normal offtake against ample supply. However, Nizamabad and Davangere wagon bilty traded unchanged at Thursday's level on good export demand against steady supply. Delhi red maize and hybrid (UP) maize traded steady on increased offtake from the Punjab and Haryana starch and poultry industries amidst steady supply of 6 motors. In Ahmedabad, both poultry feed mills and starch quality prices dipped on restricted offtake against improved daily arrival of 20 000 bags from Maharashtra. In Pune, starch quality traded steady on normal demand while Sangli truck bilty quoted lower on subdued demand against the steady supply of 15 000 bags. Both Kolkata mill quality and Naugachia (Bihar) loose basis traded down on the unloading of stocks by the stockists and farmers in Bihar on expectation of good rabi crop in Bihar against subdued demand from the maize industries. Rabi maize crop is progressing well in Bihar and weather condition also favours the crop growth. Scattered rain forecast over Karnataka and T Nadu may further damage the standing crops in T Nadu and delay in drying up of crops in Karnataka. Due to recent rainfalls, harvesting was delayed a week in T Nadu. In Delhi, Bajra prices quoted steady Rs.630 on normal demand-supply situation. Southern markets receiving good export demands from south East Asian countries

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		21.12.07	20.12.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	825	820-825	-	1 motors
Nizamabad Wagon (Bilty)	Red Maize (New)	750	750	-	1200 qtls
Davengere Wagon (Bilty)	Red Maize (New)	720	720	-	30 000 qtls
Naugachia, Bihar (Loose)	Red Maize	700	700	-	10 motors
Ahmedabad	Poultry feed mills	780-785	780-790	-5	20 000 qtls
Ahmedabad	Starch	800	805	-5	
Pune	Starch Quality	745-750	750	-	15 000 qtls
Pune	Sangli truck Bilty	660	665	-5	

**International Futures Quotes (as of December 20, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
March 2008	437.50	438.00	431.75	437.50	+2.75
May 2008	447.00	448.25	442.75	448.00	+2.75
July 2008	453.00	456.50	450.25	456.00	+3.25

**International Market Recap****CBOT Corn Futures Settled Moderately Higher On Thursday**

CBOT corn futures settled moderately higher on Thursday. March Corn finished up 2.75 cents at \$437.50 per bushel; this was .5 cent off to the high and 5.75 cent up from the low. December Corn closed up 2.5 cents at \$454.50 per bushel. This was 4.25 cent up from the low and .25 off to the high. In sympathy with wheat, CBOT corn future opened lower but firmed up by the mid session. The slightly higher soy bean prices also helped the corn futures. Both old and new corn continuously traded firm settled at higher side and the old crop made the new highs towards the end of the session. Good news also came from the new export sales. Meanwhile, EU granted import licenses for another 469,000 tonnes of corn on Thursday. Despite high prices internationally, US export prices for corn delivered to Mexico are actually cheaper than Mexican corn, so this should help to further boost demand in 2008.

## ■ MAIZE

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**FUTURES MARKETS:**

Maize January futures at NCDEX settled lower on Friday. Maize futures opened weak at Rs.750.00 against the previous close of Rs.751.60/ctl. Contract then traded down on increased selling pressure at higher level and tested the low of Rs.745.00. January contract settled down Rs.750.00, down of Rs.1.50/ctl against the previous close of Rs.751.60. The most active January contract traded in the range of Rs.745.00-750.50/ctl. In January contract, volume increased marginally and open interest increased marginally. February 08 contract traded in the range of Rs.767.00-771.50.

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

- Good Export Demand
- Estimated Poultry Industry Consumption around 8.21 MT
- Good demand from Ethanol Industries
- Higher Soy meal prices
- Per capita Chicken Consumption growth is growing by 0.5 per cent
- Rain forecast over South may create logistic problems

**Bearish:**

- Higher Rabi Maize acreage at 7.77 Lakh Hectares vrs last year's 6.96
- Estimated Higher Kharif Production

**TECHNICALS:**

Candlestick chart pattern shows buying interest at lower level. However, prices closed below the 9 and 18-days EMA indicate medium-term weakness in prices. MACD is about to make to bullish crossover in negative region. RSI is heading upward in the neutral region while Stochastic is dipping in the neutral region. Maize is likely to trade range bound with weak bias with steady to firm opening.

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

Month	S2	S1	PCP	R1	R2
January	725	734	748	761	770

**RECOMMENDATION:**

**SELL NCDEX** - January below 751 with target 745, then 742. Put stop loss near 754.

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

**Weather Impact Analysis**

Isolated rainfall activity over southern peninsula may damage the standing crop as well as obstruct the supply.

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