

■ MAIZE

■ Dec. 24, 2007

Domestic Market Recap

During Saturday's trade, maize domestic spot prices mostly traded mixed. In Delhi, red maize and hybrid (UP) maize dipped on restricted offtake from the starch and poultry industries amidst steady arrival. Nizamabad wagon bilty and Pune starch quality quoted down on lower domestic and overseas demand against slightly restricted arrival. However, Ahmedabad poultry feed mills quality and Pune Sangli truck bilty traded up on increased demand from domestic and overseas poultry industries amidst steady supply. Scattered rain fall activity over the southern region further obstructed the smooth harvesting as well as delay in arrival. The arrivals were down in Davangere from 30 000 on Friday to 25 000 qtls today while improved in Nizamabad from 12 00 to 2000 bags. Ships are expected in next week in Mumbai and Chennai port for maize export to the unknown destinations. Both Kolkata mill quality and Naugachia (Bihar) loose basis dipped further 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. In Delhi, Bajra prices quoted lower Rs.625 on normal offtake by the feed industries against ample supply. Scattered rain forecast over the southern region may prevent the arrival as obstruct the harvesting.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		22.12.07	21.12.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	815-820	825	-5	1 motors
Nizamabad Wagon (Bilty)	Red Maize (New)	745-747	750	-3	2000 qtls
Davengere Wagon (Bilty)	Red Maize (New)	720	720	-	25 000 qtls
Naugachia, Bihar (Loose)	Red Maize	700	700	-	12 motors
Ahmedabad	Poultry feed mills	790-800	780-785	+15	15 000 qtls
Ahmedabad	Starch	790-800	800	-	
Pune	Starch Quality	730-735	745-750	-15	15 000 qtls
Pune	Sangli truck Bilty	665	660	+5	

International Futures Quotes (as of December 21, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
March 2008	438.50	448.00	438.50	443.50	+6.00
May 2008	450.00	458.00	449.25	453.75	+5.75
July 2008	457.50	466.00	457.25	462.50	+6.50

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

CBOT corn futures settled moderately higher on Friday. March Corn finished up 6 cents at \$443.50 per bushel; this was 4.5 cent off to the high and 5 cent up from the low. December Corn closed up 8 cents at \$462.50 per bushel. This was 7.5 cent up from the low and 4 off to the high. CBOT corn futures settled higher on aggressive buying. Fund buying and short covering for pushing up the market to new highs. Strong export demand further supported the market sentiment. Recently corn markets witnessed the entry of money. South Korea is about to buy a total of 900,000 tonnes of corn from various market during the week. Despite the high price, selling by farmers is light. Meanwhile, Florida proposed changes in state regulations that would allow greater blending of ethanol into gas supplies in the nation's third largest gasoline market. Firm crude oil prices add to growing base of ethanol demand, which further added the powerful package of long-term bullish demand factors in the corn market.

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FUTURES MARKETS:

Maize January futures at NCDEX settled higher on Saturday. Maize futures opened unchanged at previous day's close at Rs.750.00 traded down on increased selling pressure at higher level and tested the low of Rs.749.00. However, prices recovered thereafter and tested the high of Rs.763.00 and settled in positive territory. January contract settled up Rs.756.00, up Rs.6.00 /qtl against the previous close of Rs.750.00. The most active January contract traded in the range of Rs.750.00-763.00/qtl. In January contract, volume increased significantly and open interest increased marginally. February 08 contract traded in the range of Rs.772.00-782.00.

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:

The long upper shadow of the candlestick shows selling pressure at higher level. However, prices above the 9 and 18-days EMA indicate medium-term firmness in prices. MACD has made the bullish crossover in negative region. RSI is heading upward in the neutral region while Stochastic is 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	741	756	773	785

RECOMMENDATION:

BUY NCDEX - January above 754 with target 760, then 762. Put stop loss near 751.

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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