

## ■ MAIZE

■ Dec. 21, 2007

## Domestic Market Recap

During Thursday's trade, maize domestic spot prices mostly traded steady to better on good demand from the feed industries as well as demand from the exporters amidst slightly restricted supply from the producing centres. Delhi red maize and hybrid (UP) maize firmed up Rs.820-825 and Rs.790 from Wednesday's level of Rs.810 and Rs.785/ctl respectively on increasing demand from the Haryana and Punjab starch and feed industries against restricted arrival of 5 motors. Nizamabad and Davangere wagon bilty traded steady on good demand from the exporters and locals against the steady arrival. However, the recent incessant rainfall over the T Nadu further supported the maize price as this rainfall may damage about 5% of state's total output, sources reported. T Nadu farmers expected to harvest maize next week onwards but were delayed due to recent rainfall. But higher rabi maize acreage as well as expected higher production may manage the loss, traders reported. Southern markets receiving good export demands from south east Asian countries. In Mumbai port, AL MANSOOR-I vessels carrying 8000 tonnes maize left for the unknown destination on Thursday. Naugachia (Bihar) loose basis traded down Rs.700 from its previous level of Rs.715/ctl on subdued demand against arrival of 11 motors. In Delhi, Bajra prices slightly dipped Rs.630 on improved arrival. The forecast of isolated to scattered rainfall activity over southern peninsula may damage the standing crops as well as arrival.

## Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals
		20.12.07	19.12.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	820-825	810	+15	1 motors
Nizamabad Wagon (Bilty)	Red Maize (New)	750	745-750	-	1200 qtls
Davengere Wagon (Bilty)	Red Maize (New)	720	720	-	30 000 qtls
Naugachia, Bihar (Loose)	Red Maize	700	705-710	-10	10 motors
Ahmedabad	Poultry feed mills	780-790	780-790	-	12 000 qtls
Ahmedabad	Starch	805	780-785	+20	
Pune	Starch Quality	750	740-745	+5	15 000 qtls
Pune	Sangli truck Bilty	665	665	-	

## International Futures Quotes (as of December 19, 2007)

## CBOT

Contract Month	Open	High	Low	Settle	Change
March 2008	430.50	436.50	430.25	434.75	+2.75
May 2008	441.75	447.50	441.25	445.25	+2.50
July 2008	449.50	455.25	449.00	452.75	+2.50

## International Market Recap

## CBOT Corn Futures Settled Moderately Higher On Wednesday

CBOT corn futures settled higher on Wednesday. March Corn finished up 2.75 cents at \$434.75 per bushel; this was 1.5 cent off to the high and 2.25 cent up from the low. December Corn closed up 3.75 cents at \$452.00 per bushel. This was 1.5 cent up from the low and 2 off to the high. CBOT corn futures settled higher in a lightly traded session as spill over from stronger wheat and soybean prices buoyed the corn futures. Markets lacked any supportive news. However, during the mid session, market traded at lower side on aggressive selling. The market also firmed up on the ethanol bill passed by the USA president. South Korea is planning to eliminate import taxes on corn, wheat and soybeans to help curb food inflation. Traders expected that this move of South Korea is a positive factor for the corn market, as more exporters from the country will come for import. Meanwhile, China is all set to sell 500,000 tonnes of corn next week to help curb food inflation, which ran at 18.2% in November. Before that China sold 147,500 tonnes on Tuesday and 238,100 on December 11. Taiwan is to buy 370,000 tonnes of Chinese corn, but has not received word that export quotas have been granted to allow the sale to occur. In Mexico, Agriculture Minister announced on Wednesday that the 2007-08-corn production would be around 23.6 to 23.7 million tonnes. Bush signed the energy bill today, which will boost ethanol usage in the years ahead.

## ■ MAIZE

■ Dec. 21, 2007

**FUTURES MARKETS:**

Maize January futures at NCDEX settled lower on Thursday. Maize futures opened weak at Rs.749.50 against the previous close of Rs.751.50/ctl and prices traded up thereafter on increased buying interest at lower level and tested the high of Rs.752.50. However, prices traded down thereafter on increased selling pressure at higher level and tested the low of Rs.745.00. January contract settled down Rs.748.00, down of Rs.3.50/ctl against the previous close of Rs.751.50. The most active January contract traded in the range of Rs.745.00-752.50/ctl. In January contract, volume increased substantially and open interest increased marginally. February 08 contract traded in the range of Rs.767.00-772.50.

**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:**

A Doji candlestick has formed in the chart price indecisiveness. However, prices closed below the 9 and 18-days EMA indicate medium-term weakness in prices. MACD is dipping in negative region. Both RSI and 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 750 with target 744, then 742. Put stop loss near 753.

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.

**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>

© 2007 Indian Agribusiness Systems Pvt Ltd.

COMMODITIES RESEARCH