

■ MAIZE

■ Dec. 04, 2007

Domestic Market Recap

During Monday's trade, maize domestic spot prices quoted steady to better on good export demand from the south East Asian countries amidst steady supply. But Ahmedabad poultry feed mills, Pune starch quality and Sangli truck bilty quoted down on lower offtake against the steady arrival. Dry weather over maize growing areas favours smooth harvesting as well as normal supply that further supported the negative tone. However, growing demand for the fodder quality maize in northeastern states, Naugachia (Bihar) loose basis and Kolkata Mill delivery quoted higher despite the sustained supply. Delhi red maize and hybrid (UP) maize quoted steady to better on good offtake from Punjab and Haryana starch and poultry industries against the steady supply of 2 and 5 motors respectively. In Delhi, Bajra quoted up Rs.620/qrtl on good demand against tight supply. The expected lower rabi maize acreage may also bring some positive momentum to the maize prices. In the medium term, despite the harvesting pressure, maize is likely trade at higher side on good export as well as domestic demand.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		03.12.07	01.12.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	790	785-790	-	2 motors
Nizamabad Wagon (Bilty)	Red Maize (New)	740	740	-	1000 qtls
Davengere Wagon (Bilty)	Red Maize (New)	715-717	715	+2	50 000 qtls
Naugachia, Bihar (Loose)	Red Maize	720-735	720	+15	3 motors
Ahmedabad	Poultry feed mills	785	785-790	-5	15 000 qtls
Ahmedabad	Starch	780	780	-	
Pune	Starch Quality	770	780	-10	17 000 qtls
Pune	Sangli truck Bilty	665-670	685	-15	

International Futures Quotes (as of November 30, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
December 2007	380.00	387.50	378.00	384.50	+1.00
March 2008	398.00	405.00	395.50	401.50	+0.75
May 2008	408.00	415.25	406.50	413.00	+1.50

International Market Recap

CBOT Corn Futures Settled Higher

CBOT corn futures settled higher on Friday. March Corn finished up 75 cents at \$401.50 per bushel; this was 3.5 cent off the high and 6 cent up from the low. December Corn closed up .25 cent at \$430.50 per bushel. This was 4.75 up from the low and 1.5 off to the high. CBOT corn futures settled higher after managing the early losses on strong support from wheat. Towards the end of session, corn found support from crude oil. The cash markets remain steady and quiet and this may have been the overriding price influence as we closed out the day. The Commitments of Traders Report will show whether trend-following funds have begun to liquidate their large net long corn position. This factor may well set the market direction well into next week.

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FUTURES MARKETS:

Maize January futures at NCDEX settled down on Monday. Maize futures opened weak at Rs.753.00/ql against the previous close of Rs.759.00/ql and traded up on increased buying interest at lower level and tested the high of Rs.758.00. However, prices traded down thereafter on increased selling pressure at higher level and tested the low of Rs.753.00. The most active January contract traded in the range of Rs.753.00-758.00/ql. In January contract, volume increased substantially and open interest increased marginally. December 07 contract traded in the range of Rs.737.00-742.00.

PRICE DRIVERS:**Bullish:**

- Growing Domestic and Overseas Demand
- Lower Rabi acreage
- Higher Soy Meal prices

Bearish:

- Harvesting Pressure
- Estimated Production 13.07 MT
- Dry weather over maize harvesting areas

TECHNICALS:

Candlestick chart pattern shows indecisiveness in prices. Prices closed well below the 9 and 18-days EMA indicate medium-term weaknesses in prices. MACD is about to enter into the negative region. Stochastic is dipping in the oversold region while RSI is moving downward in the neutral region. Maize is likely to trade range bound with weak bias.

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

Month	S2	S1	PCP	R1	R2
January	730	737	753.5	769	776

RECOMMENDATION:

SELL NCDEX - January below 756 with target 750, then 747. Put stop loss near 759.

Do not carry forward the position until the next day.

Weather Impact Analysis

Isolated rain/thundershowers are likely over extreme south peninsula, which may obstruct harvesting and delay the crop arrival

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