

## ■ MAIZE

■ Dec. 13, 2007

**Domestic Market Recap**

During Wednesday's trade, domestic maize spot prices mostly traded unchanged at Tuesday's level on good buying by the suppliers and feed industries against steady arrival. News of the vessels sailing from the Tuticorin port carrying 3,400 tonnes of maize for export as well as drizzling over Tamil Nadu which partially obstructed harvesting and supply further supported the maize prices. Both Nizamabad and Davangere wagon bilty traded unchanged at Rs.730 and Rs.715/qlt respectively on good export and domestic demand against steady supply of 1000 and 40 000 qtls correspondingly. Delhi red maize and hybrid (UP) maize traded steady on routine buying from Punjab and Haryana starch and poultry industries. However, Pune starch quality prices dipped on lower demand against ample supply. Maize domestic markets also found strong support from domestic feed industries due to growing demand for poultry as well as export demand. As per sources, south east Asian countries eying for Indian maize due to cheaper price and freight rate. Despite the rainfall over some parts in south, maize harvesting is progressing well. However, the procurement by the govt. agencies is not up to mark due to higher mandi prices where pvt. Companies buying at higher price. Bajra traded steady in Delhi mandis at Rs.625/qlt on good demand. In coming days, maize may trade range bound on good demand against ample supply.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qlt)		Change	Arrivals
		12.12.07	11.12.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	790-795	795	-	2 motors
Nizamabad Wagon (Bilty)	Red Maize (New)	730	725-730	-	1000 qtls
Davengere Wagon (Bilty)	Red Maize (New)	715	715	-	40 000 qtls
Naugachia, Bihar (Loose)	Red Maize	715-720	720-725	-5	7 motors
Ahmedabad	Poultry feed mills	780	780	-	18 000 qtls
Ahmedabad	Starch	790	785-790	-	
Pune	Starch Quality	725	730	-5	30 000 qtls
Pune	Sangli truck Bilty	655-660	650-660	-	

**International Futures Quotes (as of December 11, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	399.50	407.75	398.25	406.50	+6.00
March 2008	416.75	425.00	415.50	424.00	+6.25
May 2008	427.00	435.50	426.25	434.50	+6.50

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

CBOT corn futures settled higher on Tuesday. March Corn finished up 6.25 cents at \$424.00 per bushel; this was 1 cent off the high and 8.25 cent up from the low. December Corn closed up 2.5 cent at \$442.25 per bushel. This was 4.25 up from the low and .75 off to the high. CBOT corn futures traded lower with the weak support from soy bean and wheat. But mid session onwards corn futures surged on good buying support at lower level as traders sold wheat and bought corn. The USDA released its December Supply/Demand Report and it was supporting to the buyers. Ending stocks for 2007-08 were lowered to 1.797 billion bushels as compared with the average trade estimate of 1.888 billion bushels and 1.897 billion in the October report. Total domestic usage was left unchanged but exports were raised by 100 million bushels. World ending stocks were also lowered to 109.06 from 110.39 last month, also due to increased exports which were raised by 2.25 million tonnes. Basis levels are mainly steady to firm across the US interior. The adverse winter weather also prevented farmers from aggressive selling.

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### FUTURES MARKETS:

Maize January futures at NCDEX settled higher on Wednesday. Maize futures opened firm at Rs.756.00 against the previous close of Rs.754.50/qlt and traded down on increased selling pressure at higher level and tested the low of Rs.752.50. However prices traded up thereafter on increased buying interest at lower level and tested the high of Rs.759.00. Prices settled up Rs.756.00, up of Rs.1.50 from the previous close of Rs.754.50. The most active January contract traded in the range of Rs.752.50-759.00/qlt. In January contract, volume increased significantly and open interest increased marginally. December 07 contract traded in the range of Rs.727.00-734.00.

### PRICE DRIVERS:

#### Bullish:

- Lower Rabi acreage
- 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:

A doji candlestick has been formed in the chart shows indecisiveness in prices. However, prices closed above the 9 and 18-days EMA indicate medium-term firmness in prices. MACD is moving up in the negative region. Both RSI and Stochastic is moving upward the neutral region indicate buying interest in the market. Maize is likely to trade range bound with firm bias with steady to firm opening.

### NCDEX Maize January Contract



### SUPPORT / RESISTANCES:

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

### RECOMMENDATION:

**BUY NCDEX** - January above 753 with target 760, then 763. Put stop loss near 749.5.

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

### Weather Impact Analysis

Isolated to scattered rainfall activity is likely over T Nadu and extreme south peninsula may obstruct harvesting and delay in supply.

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