

■ MAIZE

■ Dec. 03, 2007

Domestic Market Recap

During Saturday's trade, maize spot prices quoted higher in some of the major domestic mandis on good export and domestic demand amidst sustained supply. But prices slightly dipped in Nizamabad wagon bilty and Pune Sangli truck bilty on lower offtake against sustained supply. However, on a normal demand-supply situation, Davangere wagon bilty, Pune starch quality and Ahmedabad poultry feed mills quoted steady. Dry weather over the major maize growing areas smoothen harvesting process as well as supply which further prevented the upward movement of the price. Delhi red maize and hybrid (UP) maize quoted up Rs.785-790 and Rs.752-753/qlt on good buying by the Punjab and Haryana starch and poultry industries amid steady supply of 3 and 5 motors respectively. In Delhi, Bajra prices slightly firmed up on good demand. Compared to last year's 58.36 lakh hectares, this year's rabi coarse cereals sowing stood around 54.21 lakh hectares as of Nov 30. By Nov 29, in Argentina, 80% corn sowing was completed, a high of 4% then last year. In short term, maize may trade range bound with weak bias on ample supply.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qlt)		Change	Arrivals
		01.12.07	30.11.07		
Delhi (ex-godown)	Red Maize (Atta Qlty)	785-790	780-785	+5	3 motors
Nizamabad Wagon (Bilty)	Red Maize (New)	740	735-745	-5	1500 qtls
Davengere Wagon (Bilty)	Red Maize (New)	715	715	-	55-65 000 qtls
Naugachia, Bihar (Loose)	Red Maize	720	720	-	3 motors
Ahmedabad	Poultry feed mills	785-790	785-790	-	15 000 qtls
Ahmedabad	Starch	780	775	+5	
Pune	Starch Quality	790	780-790	-	17 000 qtls
Pune	Sangli truck Bilty	685	680-690	-5	

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 December futures at NCDEX settled up on Saturday. Maize futures opened firm at Rs.745.00/qlt against the previous close of Rs.739.00/qlt. Contract then traded down on increased selling pressure at higher level and tested the low of Rs.738.00. Prices settled up Rs.740.50, up of Rs.1.50/qlt against the previous close of Rs.739.00/qlt. The most active December contract traded in the range of Rs.738.00-745.00/qlt. In December contract, volume decreased substantially and open interest decreased marginally. January 08 contract traded in the range of Rs.755.00-762.50.

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 weaknesses in prices. Prices closed below the 9 and 18-days EMA indicate medium-term weaknesses in prices. MACD has entered into the negative region. Stochastic is moving downward in the neutral region while RSI is flatter in the neutral region. Maize is likely to trade range bound with weak bias.

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

Month	S2	S1	PCP	R1	R2
December	718	723	740.5	755	766

RECOMMENDATION:

SELL NCDEX - December below 743 with target 737, then 735. Put stop loss near 746.

Do not carry forward the position until the next day.

Weather Impact Analysis

Dry weather over the maize harvesting areas favours for the smooth harvesting of maize as well as healthy supply.

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