

■ MAIZE

■ July 17, 2007

Domestic Market Recap

Maize traded flat with firm undertone in Delhi mandis between Rs.755-760/qtl ex-godown basis in Delhi on daily arrivals of around 3 motors daily from Bihar. Rake arrivals from Bihar are expected in next couple of days. Bajra price quoted up around Rs.660-665/qtl and arrivals stood at 10 motors from U.P. Poultry farmers in North India are replacing maize partly in the rations and this makes the bajra firm. Maize trades slightly firm by Rs. 5/ qtl in Bihar mandis on lower arrivals amidst some rakes demand. Rake loading is continued for the destination of Ahmedabad and North India. However, Karnataka and Andhra Pradesh mandis are showing stable prices on average demand. The demand is good for poultry industries of Tamilnadu. Ahmedabad mandis witnessed arrivals of one rake from Bihar. The demand from Poultry industries and Starch industries remained steady. Area under kharif maize is still lagging behind this year by 30.2% so far as on 29.06.07. However there is still time for sowing. However, no significant area expansion is unlikely this year.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		14.07.07	13.07.07		
Delhi (ex-godown)	Red Maize Bihar	760	750-760	-	3 motors
Nizamabad (Bilty)	Red Maize	740	740-745	-5	
Devengere (Bilty)	Red Maize	740	740	-	
Naugachia, Bihar (Loose)	Red Maize	580	570	+10	400 bags
Ahmedabad	Poultry feed mills	845	850	-5	
Ahmedabad	Starch	815	815	-	
Pune	Starch Quality	840	845	-5	
Pune	Sangli truck Bilty	810	810	-	

International Futures Quotes (as of July 13, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2008	395.00	400.50	392.25	398.75	+3.25
September 2007	351.00	357.00	346.75	354.75	+3.25
December 2007	363.75	371.00	360.50	368.50	+3.25

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

CBOT December Corn finished up 3.25 cents at \$3.685, 2.5 cents off the high and 8 cents up from the low. September Corn closed up 3.25 cents at \$3.548. This was 7.8 cents up from the low and 2 cents off the high. Ideas that the Monday morning forecast models may not be as threatening to the western Corn Belt as this weeks maps sparked some long liquidation selling and lower price action early in the session. Long liquidation selling from speculators was noted. Ideas that this week's weather was beneficial to crop conditions and talk of the bearish news from the USDA report yesterday added to the bearish tone early. South Korea bought 110,000 tonnes of optional origin corn overnight. Deliveries totaled 399 contracts this morning. Mid-day weather models showed a hot and dry trend for the western Corn Belt for the next two weeks which sparked new buying and a move to the highest level since June 27th for December corn. above normal.

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FUTURES MARKETS:

Maize futures at NCDEX traded firm following a mix opening. The most active August contract traded bullish on increased buying interest at lower levels following a steady opening at Rs.782.5 a qtl. and traded in the range of Rs.774.5786/qtl. The contract settled in green at Rs.786/qtl.

PRICE DRIVERS:**Bullish:**

- Lower arrivals amidst some demand from starch and poultry industries
- Acreage under kharif maize crops down 8.76 lakh hectare as on 29.06.07 against 12.55 lakh hectare year ago period
- Lower stocks in exchange warehouse

Bearish:

- Bearish outlook of bajra on higher arrivals in coming days
- Kharif crop showing is likely to be supported by steady progress of monsoon

TECHNICALS:

A bullish candle with long lower shadow indicates bulls dominated the market at lower price levels. Prices closed much above the EMA's, indicating medium term strength is likely to continue in the market. The MACD is moving slightly up in normal region. The RSI is moving up in normal zone, favouring bulls. However, stochastic is dipping. Maize is likely to trade upwards following a firm opening.

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

Month	S2	S1	PCP	R1	R2
August	777	780	786	792	795

RECOMMENDATION:

BUY NCDEX- Aug below 785 with target towards 791. Put stop loss near 782.

Do not carry forward the position until the next day.

Weather Impact Analysis

Rainfalls in the sowing stage of kharif crop are favourable. However, very heavy rainfalls and water stagnation are not desirable

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