

## ■ MAIZE

■ July 14, 2007

**Domestic Market Recap**

Maize sentiments continued to be flat with price quoted between Rs.750-760/qrtl ex-godown basis in Delhi on steady demand supply scenario. Arrivals remained around 3 motors daily from Bihar. Rake arrivals from Bihar are expected in the coming week. Bajra price quoted up around Rs.655-660/qrtl and arrivals stood at 10 motors from U.P. However, bajra prices are remained lower than maize by 12-13%, thus making it a substitute commodity of poultry feed against maize. Poultry farmers in North India are replacing maize partly in the rations. Karnataka and Andhra Pradesh mandis are witnessing slightly bearish tone on flat demand. The stock position is satisfactory. According to trade sources, maize stocks in Karnataka mandis stood around 30 lakh bags whereas, in Andhra Pradesh it remains around 10-15 lakh bags. Stocks in exchange warehouses declined to 694 MT. Of the total amount, Devengere warehouse carry 49 MT and Karimnagar warehouse 645 MT as on 12.07.07. However, some accumulation of stocks is possible in exchange warehouses, due to lower prices at production centres of Bihar. Area under kharif maize is still lagging behind this year by 30.2% so far as on 29.06.07.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		13.07.07	12.07.07		
Delhi (ex-godown)	Red Maize Bihar	750-760	750	+10	4 motors
Nizamabad (Bilty)	Red Maize	740-745	755	-10	
Devengere (Bilty)	Red Maize	740	740	-	
Naugachia, Bihar (Loose)	Red Maize	570	570	-	500 bags
Ahmedabad	Poultry feed mills	850	845	+5	
Ahmedabad	Starch	815	815	-	
Pune	Starch Quality	845	845	-	
Pune	Sangli truck Bilty	810	810	-	

**International Futures Quotes (as of July 12, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	341.00	344.00	332.00	344.00	+8.00
September 2007	346.00	351.75	340.25	351.50	+8.50
December 2007	359.50	365.50	353.50	365.25	+9.75

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

CBOT corn futures finished down Wednesday. December Corn finished down 1.5 cents at \$3.555 per bushel, this was 3.75 off the high and 1.75 up from the low. September Corn closed down 2.5 cents at \$3.43 per bushel. This was 1.25 up from the low and 3.75 off the high. The outlook for a return of heat to the Midwest late next week and strength in the wheat market supported the early bounce but a lack of new buying interest and a set-back in soybeans helped trigger the set-back into the mid-session. Plenty of wheat/corn spreading and talk of good pollination weather this week helped push the market lower into the close. Funds were noted sellers of near 2,000 contracts. Ideas that much of the eastern Corn Belt is pollinating this week with ideal conditions is clashing with the outlook for heat next week and the potential that the western Corn Belt pollinates with dry soils and temperatures 10-15 degrees above normal.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded bearish following a higher opening. The most active August contract traded down on increased selling interest at higher levels following a firm opening at Rs.785 a qtl. and traded in the range of Rs.780-785/qtl. The contract settled in red by 0.26% at Rs.782/qtl. The volumes have declined sharply whereas Open Interest remained flat during the session.

**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 supported by steady progress of monsoon

**TECHNICALS:**

A bearish candle has formed, showing bears dominated the markets. However, prices closed above the EMA's showing some strength in the market, while MACD is directionless in positive region. Stochastic is trending higher in normal region. RSI is falling in normal zone. Maize is likely to trade downwards initially following a steady weak opening with possibility of late upwards movement.

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

Month	S2	S1	PCP	R1	R2
August	775	777	782	787	790

**RECOMMENDATION:**

**SELL NCDEX-** Aug below 784 with target towards 777. Put stop loss near 787.

**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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