

■ MAIZE

■ July 03, 2007

Domestic Market Recap

Maize trades up by Rs.10/qtl at Rs. 760/qtl ex-godown basis in Delhi mandis amidst lower arrivals of around 2 motors from Bihar. One rake arrivals are reported from Bihar during Friday. Of that around 50% are sold towards Haryana. Rest 50% are remained unsold because of poor quality and kept in godown. Further, rake arrival is reported later of this week from Bihar. Bihar mandis witnessed weak sentiments and price remained down at 580/qtl amidst thin trading activities. A total of 50,000 bags arrivals are reported from Bihar. Most of the arrivals are from Khagaria district. Rakes loading are continued towards the destination of Ahmedabad and North India. Ahmedabad mandis witnessed 2 rakes arrivals of maize from Bihar during last week. The Bihar crops are quoted Rs.15-20/qtl lower prices as against the local crop. The demand from starch units of Ahmedabad is supporting the tone. Stocks in NCDEX warehouses remained lower this week as on 28.06.07 at 2064 MT as against last week's stock of 3456 MT. IGC has reduced the global maize production forecast by 1 million tonnes to 750 million tonnes and world industrial use of corn is forecast to increase in coming days.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		02.07.07	30.06.07		
Delhi (ex-godown)	Red Maize Bihar	760	750	+10	2 motors
Nizamabad (Bilty)	Red Maize	775	780	-5	
Devengere (Bilty)	Red Maize	770	770	-	
Naugachia, Bihar (Loose)	Red Maize	580	590	-10	1000 bags
Ahmedabad	Poultry feed mills	835-850	850	-	
Ahmedabad	Starch	850	850	-	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	830	830	-	

International Futures Quotes (as of June 29, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
July 2007	336.00	344.00	323.00	329.50	-10.00
September 2007	347.00	353.50	334.00	340.00	-10.00
December 2007	353.00	363.00	344.00	350.75	-7.50

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

CBOT corn futures settled down Friday on higher-than-expected 2007 corn planted acreage estimate from the USDA. July corn fell 10 cents to \$3.295 per bushel, September also declined 10 cents to \$3.40 per bushel, and December fell 7.5 cents to \$3.508 per bushel. The USDA adjusted planted acreage up by 2.434 million acres from the March intentions report which was the largest adjustment higher since 1971. The USDA indicated that producers intend to plant 92.888 million acres of corn this season as compared with the average trade estimate of 90.618 million acres (range 89.85-91.7) and compared with the March USDA preliminary forecast of 90.454 million acres.

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FUTURES MARKETS:

Maize futures at NCDEX traded up initially following a mix opening. The most active July contract traded up initially following a weak opening at Rs.776.5 a qtl. as against the previous closing of Rs.778.5 a qtl. and traded in the range of Rs.775-784/qtl. Increased selling interest at higher levels at the late session settled down the contract by 0.13% at Rs.777.5/qtl. The volumes have increased marginally whereas Open Interests have decreased slightly during the session.

PRICE DRIVERS:**Bullish:**

- Lower arrivals amidst some demand from starch and poultry industries
- Acreage under kharif maize crops down 4.78 lakh hectare against 5.59 lakh hectare year ago period

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 long upper shadow has formed, implying price couldn't sustain at higher levels. However, prices closed above the EMA's, showing that the uptrend may continue. Stochastic is in oversold region and on the verge of making bullish crossover. RSI is moving upwards in neutral zone. Maize is likely to trade range bound with firm inclination.

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

Month	S2	S1	PCP	R1	R2
July	770	773	777.5	786	790

RECOMMENDATION:

BUY NCDEX- July above 775 with target towards 783, second target near 786. Put stop loss near 772.

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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