

■ MAIZE

■ July 10, 2007

Domestic Market Recap

Maize traded down by Rs.15/qrtl at Rs.750/qrtl ex-godown basis in Delhi mandis on steady demand amidst fresh rake arrivals from Bihar. The price quoted between Rs.730-735/qrtl on station delivery. Above 70% crop has been sold out towards Haryana. Bihar mandis witnessed flat sentiments on thin trading. However, rakes loading are continued. The demand from starch industries of Ahmedabad and Poultry industries from Tamilnadu remained good. Higher rates of eggs motivated poultry businessman to increase the number of birds that resulting into some demand of poultry feed. Rake arrivals are reported in Maharashtra mandis from Bihar. Kharif maize sowing is still lagging behind as compared to corresponding period of previous year. However, there is a enough time for sowing. Flood in Maharashtra, A.P., Gujarat and Rajasthan is hindering the sowing progress.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		09.07.07	07.07.07		
Delhi (ex-godown)	Red Maize Bihar	750	755-760	-10	1 rake + 3 motors
Nizamabad (Bilty)	Red Maize	760	765	-5	
Devengere (Bilty)	Red Maize	765	770	-5	
Naugachia, Bihar (Loose)	Red Maize	560	560	-	1500 bags
Ahmedabad	Poultry feed mills	850	850-855	-5	
Ahmedabad	Starch	825	830-840	-15	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	820	830	-10	1 rakes

International Futures Quotes (as of July 06, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	329.00	334.50	328.00	334.50	+10.50
September 2007	335.50	342.50	335.50	341.50	+9.00
December 2007	347.00	352.50	345.00	352.00	+9.50

International Market Recap**CBOT Corn Futures Settled Moderately Up**

CBOT corn futures settled up moderately higher near session highs Friday on the forecasts of expected hot and dry weather in parts of the western U.S. Midwest. July corn rallied 10.5 cents to \$3.345 per bushel, Sep gained 9 cents to \$3.415 per bushel, and December gained 9.5 cents to \$3.52 per bushel. The private forecast called for 13.3 billion bushel corn crop and a yield of 156.6 and that should be considered bearish when compared to other recent forecasts. Weekly US export sales for corn came in at 1,953,700 metric tones, as compared to trade expectations between 700,000-1,050,000. Cumulative sales have now reached 97.1% of the USDA forecast as compared to 90.4% on average over the last five years. Sales of 170,400 metric tonnes per week are needed to reach the USDA estimate.

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FUTURES MARKETS:

Maize futures at NCDEX traded up following a steady opening. The most active August contract remained bullish on increased buying support following a flat opening at Rs.777 a qtl. and traded in the range of Rs.775.5-779/qtl. Increased buying interest settled up the contract by 0.13% at Rs.778/qtl. The volumes as well as Open Interests have decreased 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 as on 22.06.07 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:

Candlestick shows some indecisive market sentiments. However, prices closed above the EMA's showing strength for medium term, while MACD is moving upwards in negative region. RSI and Stochastic are moving up in neutral zone, favours the bulls. Maize is likely to trade bullish following a steady to weak opening.

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

Month	S2	S1	PCP	R1	R2
August	770	773	778	784	787

RECOMMENDATION:

BUY NCDEX- July above 776 with target towards 782, second target near 784. Put stop loss near 773.

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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