

■ MAIZE

■ July 04, 2007

Domestic Market Recap

Maize sentiments remained flat and traded between Rs. 755-760/qtl ex-godown basis in Delhi mandis amidst the arrivals of around 3 motors from Bihar. Weakness in bajra sentiments is pressurising the maize tone. Bihar mandis witnessed weak sentiments and price remained down at 575/qtl amidst thin trading activities. Around 1000 bags arrivals are reported from Naugachia mandis. Rakes loading are continued towards the destination of Kolkata, Ahmedabad and North India. The demand from poultry units of Tamilnadu and starch industries of Ahmedabad is continued. However, arrivals couldn't satisfy the demand. The flood in Maharashtra, Gujarat and Andhra Pradesh is increasing the concern of lower kharif production this year because sowing has started already and water stagnation in the field is not favourable for crop growth. But this is too early to predict about the total production but the rainfalls would no doubt delay the sowing that is already lagging behind from the corresponding period of last year.

Domestic Spot Market Prices

| Market | Variety | Prices (Rs/qtl) | | Change | Arrivals |
|--------------------------|--------------------|-----------------|----------|--------|-----------|
| | | 03.07.07 | 02.07.07 | | |
| Delhi (ex-godown) | Red Maize Bihar | 755-760 | 760 | - | 3 motors |
| Nizamabad (Bilty) | Red Maize | 765 | 775 | -10 | |
| Devengere (Bilty) | Red Maize | 770 | 770 | - | |
| Naugachia, Bihar (Loose) | Red Maize | 575 | 580 | -5 | 1000 bags |
| Ahmedabad | Poultry feed mills | 835-850 | 835-850 | - | |
| Ahmedabad | Starch | 850 | 850 | - | |
| Pune | Starch Quality | 850 | 850 | - | |
| Pune | Sangli truck Bilty | 830 | 830 | - | |

International Futures Quotes (as of July 02, 2007)**CBOT**

| Contract Month | Open | High | Low | Settle | Change |
|----------------|--------|--------|--------|--------|--------|
| July 2007 | 330.00 | 337.50 | 325.00 | 330.50 | +1.00 |
| September 2007 | 340.25 | 348.75 | 334.75 | 339.75 | -0.25 |
| December 2007 | 350.75 | 358.50 | 344.50 | 350.00 | -0.75 |

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

CBOT corn futures settled mix Monday. July corn rose 1 cent to \$3.305 per bushel, September corn slipped 0.25 cent to \$3.398 per bushel and December corn declined 0.75 cent to \$3.50 per bushel. For the weekly export inspections report, released during the session, corn exports came in at 34.2 million bushels as compared with trade expectations for 30-35 million bushels. This pushed cumulative shipments to 79.5% of the current forecast for the season as compared with 76.9% on average over the past 5 seasons. Deliveries against the July contract came in at 1,683 contracts with a lack of a strong commercial stopper. Israel is tendering for up to 56,000 tonnes of US or South American corn.

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FUTURES MARKETS:

Maize futures at NCDEX traded down initially following a higher opening. The most active July contract tumbled down on increased selling pressure following a higher opening at Rs.781 a qtl. as against the previous closing of Rs.778 a qtl. and traded in the range of Rs.775.5-781/qtl. Increased selling interest settled down the contract by 0.13% at Rs.777/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:

A bearish candle has formed, implying bears dominated the market. However, prices closed above the EMA's, showing that the uptrend may continue. Stochastic has entered in normal region and moving upwards following a bullish crossover. MACD is indecisive in positive region. RSI remained weak 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 | 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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