

■ MAIZE

■ July 09, 2007

Domestic Market Recap

Maize traded up between Rs. 755-760/qtl ex-godown basis in Delhi mandis on steady demand amidst lower arrivals from Bihar. No rake arrivals are reported from Bihar in the week. Further, bajra price has increased in the mandis at Rs.655/qtl on lower arrivals around 6 motors as against 15 motors earlier days from U.P. In the week stocks in NCDEX warehouses declined sharply at 695 MT as against last week's stock of 2064 MT. The demand from starch industries of Ahmedabad is steady. However, arrivals fall short of the demand. Rakes arrivals are continued from Bihar. Around 5 rakes already arrived in Ahmedabad mandis. However, Bihar maize in Gujarat is quoted Rs.20-25/qtl lower as against the local crop because of inferior quality. Bihar mandis witnessed bearish sentiments and price decline to Rs. 560/qtl in thin trading amidst improving arrivals. Around 1500 bags arrivals were reported from Naugachia mandis. Rake loading continued for Ahmedabad. Kharif maize sowing is still lagging behind as compared to corresponding period of previous year. According to trade sources the acreage is lower in A.P. because of shifting of acreage towards other crops due to higher cost of cultivation involved in maize cultivation.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		07.07.07	06.07.07		
Delhi (ex-godown)	Red Maize Bihar	755-760	750-755	+5	2 motors
Nizamabad (Bilty)	Red Maize	765	765	-	
Devengere (Bilty)	Red Maize	770	770	-	
Naugachia, Bihar (Loose)	Red Maize	560	570-575	-15	1500 bags
Ahmedabad	Poultry feed mills	850-855	860-865	-10	1 rakes
Ahmedabad	Starch	830-840	840-855	-10	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	830	830	-	

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 tonnes, 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.

■ MAIZE

■ July 09, 2007

FUTURES MARKETS:

Maize futures at NCDEX traded up following a mix opening. The most active July contract remained bullish on increased buying support following a higher opening at Rs.782 a qtl. as against the previous closing of Rs.780 a qtl. and traded in the range of Rs.779-783.5/qtl. Increased buying interest settled up the contract at day's high by 0.45% at Rs.783.5/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 be supported by steady progress of monsoon

TECHNICALS:

Candlestick showing bullish market. Prices closed above the EMA's showing strength for medium term, while MACD is moving upwards in positive region. RSI and Stochastic has turned higher in neutral zone, favours the bulls. Maize is likely to trade bullish following a steady to firm opening.

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

Month	S2	S1	PCP	R1	R2
July	778	780	783.5	790	792

RECOMMENDATION:

BUY NCDEX- July above 783 with target towards 789. Put stop loss near 780.

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.