

■ MAIZE

■ July 28, 2007

Domestic Market Recap

Maize prices remained steady to up in major domestic markets on good demand amidst lower arrivals. Area under kharif maize still lags by 3.6% at 54.74 lakh ha versus year-ago acreage of 56.76 lakh hectares. Around 88.1% of normal area has been covered as on 20.07.07. Competing oilseeds and pulses leave limited scope for any significant increases in maize acreage this year. Meanwhile, increasing demand from Bangladesh and good domestic demand from poultry as well as starch industries are supporting prices. Maize price continued to be firm at Rs.815/qtl ex-godown basis for the Bihar maize in Delhi on very poor arrivals around 2 motor from Bihar. Bihar mandis remained flat with prices at Rs.710-715/qtl on good demand and lower arrivals of around 200 bags in Naugachia mandis. Widespread rainfall has restricted arrivals. Moreover, rising sentiments motivated the farmers to holding their stocks. However, around 20-25 motors of maize arrived in Dalkhola mandi of West Bengal from Bihar and are to be exported to Bangladesh. Maize sentiments are likely to remain steady to firm in coming days.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		27.07.07	26.07.07		
Delhi (ex-godown)	Red Maize Bihar	815-820	810-815	+5	2 motors
Nizamabad (Bilty)	Red Maize	760-765	760-765	-	
Devengere (Bilty)	Red Maize	750-755	750-755	-	
Naugachia, Bihar (Loose)	Red Maize	710-715	710-715	-	200 bags
Ahmedabad	Poultry feed mills	870	870	-	2000 bags
Ahmedabad	Starch	860	860	-	
Pune	Starch Quality	865	865	-	
Pune	Sangli truck Bilty	855	855	-	

International Futures Quotes (as of July 25, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	314.50	316.00	310.75	311.50	-
December 2007	329.50	331.75	326.25	327.25	+0.50
March 2008	345.50	346.25	342.00	342.50	+0.50

International Market Recap**CBOT Corn Futures Finished Up**

CBOT corn futures finished up Thursday. December Corn finished up 5.75 cents at \$3.33 per bushel; this was 7.5 off the high and 4 up from the low. September Corn closed up 6 cents at 3.175 per bushel. This was 3.75 up from the low and 8.5 off the high. The grain markets found strength from a somewhat threatening weather outlook for next week and shook-off the early sharp break in the stock market. However, fund selling slowed later in the session as the stock market continued to collapse and futures gave back 7 1/2 cents of the gains into the close. Ideas that parts of the western Corn Belt are too dry and may miss out on the rains for the next few days ahead of a drier and warmer trend into next week helped spark renewed buying and short-covering early in the session today.

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FUTURES MARKETS:

Maize futures at NCDEX traded weak following a mix opening. The August contract traded lower on increased selling pressure at higher level following a lower opening at Rs.782/qtl and traded in the range of Rs.782-784.5/qtl. Finally, the contract settled in red by 0.32% at Rs.783/qtl. The volumes have increased whereas Open Interest has declined during the session.

PRICE DRIVERS:**Bullish:**

- Lower arrivals amidst some demand from starch and poultry industries
- Good export demand from Bangladesh
- Acreage under kharif maize crops down at 54.74 lakh hectares so far as on 20.07.07 as compared to 56.76 lakh hectares year ago period
- Lower stocks in exchange warehouse

Bearish:

- As 4th adv est., total maize production for the year 2006-07 estimated up around 14.98 million tonnes

TECHNICALS:

A small hollow candle has formed with long upper shadow, indicating bears domination at higher levels. The EMAs remain medium-term bearish. RSI and Stochastic have also weakened in neutral region. Maize futures are open steady to higher and then encounter some selling pressure at higher levels.

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

Month	S2	S1	PCP	R1	R2
August	776	778	783	787	790

RECOMMENDATION:

SELL NCDEX - Aug below 784 with target towards 778. Put stop loss near 787.

Do not carry forward the position until the next day.

Weather Impact Analysis

Rainfalls in the vegetative growth stage of kharif maize and water stagnation are not desirable.

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