

■ MAIZE

■ July 05, 2007

Domestic Market Recap

Maize sentiments remained flat and traded between Rs. 755-760/qtl ex-godown basis in Delhi mandis amidst steady arrivals. The maize demand for poultry feed is rising in Tamilnadu after the government declaration to provide one boil egg to the children after three week under the mid day meal system in the state. Further, lifting of ban on the export of eggs to Gulf countries is improving the demand. Hatcheries in different part of the Tamilnadu are gearing up for an additional production to meet the demand. Bihar mandis witnessed steady sentiments amidst thin trading activities. Rakes loading are continued towards the destination of Kolkata, Ahmedabad and North India. The flood in Maharastra, 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 Continuous heavy rains would no doubt hamper sowing that is already lagging behind compared to the corresponding period of last year.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		04.07.07	03.07.07		
Delhi (ex-godown)	Red Maize Bihar	755-760	755-760	-	3 motors
Nizamabad (Bilty)	Red Maize	765	765	-	
Devengere (Bilty)	Red Maize	770	770	-	
Naugachia, Bihar (Loose)	Red Maize	580	575	+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 03, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	327.00	327.00	318.00	320.00	-10.50
September 2007	338.00	338.00	326.75	328.50	-11.25
December 2007	346.00	347.00	336.00	338.00	-12.00

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

CBOT corn futures settled lower Tuesday. December Corn finished down 12 cents at \$3.389 per bushel, this was 9 off the high and 2 up from the low. September Corn closed down 11.25 cents at \$3.285 per bushel. This was 1.75 up from the low and 9.50 off the high. The outlook for good growing conditions in the Midwest into the pollination period and spillover selling pressure from the USDA report of an extra 2 1/4 million acres from Friday's release helped to pressure the market early. Fund selling thought to be long liquidation emerged to help drive futures sharply lower on the session with December corn down as much as 99 cents from the June 18th peak. Some rains for the dry areas of the eastern Corn Belt in the next few days and the outlook for a rain event for the dry areas of Nebraska and Iowa for early next week helped spark the selling. Ideas that the China crop could reach a new record high this year after 1/2 to 2 inches of rain over the past weekend added to the bearish tone.

■ MAIZE

■ July 05, 2007

FUTURES MARKETS:

Maize futures at NCDEX traded southwards following a mix opening. The most active July contract tumbled down on increased selling pressure following a lower opening at Rs.767.5 a qtl. as against the previous closing of Rs.777 a qtl. and traded in the range of Rs.771-778/qtl. Increased selling interest settled down the contract by 0.64% at Rs.772/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:

A bearish candle has formed on the charts. Prices closed below the EMA's, showing that the downtrend may continue. MACD is moving downwards in positive region. RSI remains weak in neutral zone. Only stochastic is showing some strength. Maize is likely to trade bearish following a steady to weak opening.

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

Month	S2	S1	PCP	R1	R2
July	762	765	772	776	780

RECOMMENDATION:

SELL NCDEX- July below 773 with target towards 767, second target near 765. Put stop loss near 776.

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