

## ■ MAIZE

■ July 27, 2007

**Domestic Market Recap**

Maize sentiments remained steady to firm in major domestic markets on good export as well as domestic demand amidst lower arrivals. Steady export demand from Bangladesh and good domestic demand from poultry as well as starch industries are underpinning the tone. Bihar mandis continued to be bullish between Rs.710-715/qtl on good demand amidst lower arrivals around 200 bags in Naugachia mandis. Around 20-25 motors of maize daily supplied to Dalkhola mandis of West Bengal from Bihar and are exported to Bangladesh. The sentiments remained firm in Kolkata mandis and price quoted between Rs.810-820/qtl on good demand on meagre arrivals. In Delhi, maize was offered higher between Rs.810-815/qtl, ex-godown basis for Bihar quality and arrival declined to just two motor. Good demand from Haryana poultry industries is supporting the sentiments in Delhi. Bajra prices too firmed up at Rs.700/qtl on lower arrivals of around 6 motors from U.P. Maize prices are strengthening steadily and the new crop prospects too are not very encouraging due to lower acreage at the moment.

**Domestic Spot Market Prices**

| Market                   | Variety            | Prices (Rs/qtl) |          | Change | Arrivals  |
|--------------------------|--------------------|-----------------|----------|--------|-----------|
|                          |                    | 26.07.07        | 25.07.07 |        |           |
| Delhi (ex-godown)        | Red Maize Bihar    | 810-815         | 810      | +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         | 700-710  | +5     | 200 bags  |
| Ahmedabad                | Poultry feed mills | 870             | 870      | -      | 2000 bags |
| Ahmedabad                | Starch             | 860             | 850-860  | -      |           |
| Pune                     | Starch Quality     | 865             | 860      | +5     |           |
| Pune                     | Sangli truck Bilty | 855             | 850      | +5     |           |

**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 Settled Up**

CBOT corn futures settled up Wednesday. December Corn finished up 0.5 cents at \$3.273 per bushel; this was 4.5 off the high and 1 up from the low. September Corn closed steady at \$3.115 per bushel. This was 0.75 up from the low and 4.5 off the high. Talk of the oversold technical condition of the market, some forecasts for hot and dry weather into the Midwest next week and strength in the other grains helped support the early bounce. However, a sell-off in wheat and the other grains along with weakness in other commodities contributed to the minor set-back into the mid-session. Liquidation of long wheat/short corn spreads helped to support the market late in the day despite weakness in soybeans but the market closed back near unchanged. Good weather for the Midwest into early next week and ideas that pollination of the crop was near ideal helped limit the buying support.

## ■ MAIZE

■ July 27, 2007

**FUTURES MARKETS:**

Maize futures at NCDEX traded mix following a mix opening. The August contract traded marginally down on increased selling pressure at higher level following a lower opening at Rs.785/qrtl and traded in the range of Rs.784.5-787/qrtl. Finally, the contract settled in red by 0.13% at Rs.785.5/qrtl. The volumes have increased whereas Open Interest have 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 33.17 lakh hectares so far as on 13.07.07 as compared to 39.14 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 lacklustre trading with some selling pressure at higher levels. Price closed below the 18 day's EMA, indicating some weakness in medium term. MACD remain directionless in positive zone. RSI is moving down in normal region. Stochastic has also weakened slightly near overbought region. Maize futures are likely to trade higher initially after a steady to weak opening, with good chances of late fall due to profit-booking / selling at higher levels.

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

| Month  | S2  | S1  | PCP   | R1  | R2  |
|--------|-----|-----|-------|-----|-----|
| August | 780 | 782 | 785.5 | 790 | 793 |

**RECOMMENDATION:**

**BUY NCDEX** - Aug above 784 with target towards 790. Put stop loss near 781.

**Do not carry forward the position until the next day.**

**Weather Impact Analysis**

Rainfalls in the vegetative growth 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).