

## ■ MAIZE

■ July 13, 2007

**Domestic Market Recap**

Maize sentiments continued flat at Rs.750/qtl ex-godown basis in Delhi mandis on steady demand supply scenario. Arrivals remained around 3 motors from Bihar. Rakes arrivals are likely in the coming week. The bajra prices are also lower than maize by 12-13%, thus making it a substitute commodity of poultry feed against maize. Poultry farmers in North India are replacing maize partly in the rations. The demand from poultry industries of Ahmedabad remained good. Karnataka and Andhra Pradesh mandis are also witnessing steady tone on flat demand. The stock position is satisfactory. According to trade sources, maize stocks in Karnataka mandis stood around 30 lakh bags whereas, in Andhra Pradesh it remains around 10-15 lakh bags. Area under kharif maize is still lagging behind this year by 30.2% at 8.76 lakh hectares so far as on 29.06.07 as compared to 12.55 lakh hectares during corresponding period of last year. It is still too early to predict the maize production for the year Khariff season. A higher area under kharif crop this year can not ruled out as the prices have been very good.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		12.07.07	11.07.07		
Delhi (ex-godown)	Red Maize Bihar	750	750	-	3 motors
Nizamabad (Bilty)	Red Maize	755	755	-	
Devengere (Bilty)	Red Maize	740	740	-	
Naugachia, Bihar (Loose)	Red Maize	570	570	-	600 bags
Ahmedabad	Poultry feed mills	845	850	-5	
Ahmedabad	Starch	815	815	-	
Pune	Starch Quality	845	850	-5	
Pune	Sangli truck Bilty	810	820	-10	

**International Futures Quotes (as of July 11, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	338.50	339.00	335.50	336.00	-2.00
September 2007	345.50	346.75	341.75	343.00	-2.50
December 2007	357.75	359.25	353.75	355.50	-1.50

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

CBOT corn futures finished down Wednesday. December Corn finished down 1.5 cents at \$3.555 per bushel, this was 3.75 off the high and 1.75 up from the low. September Corn closed down 2.5 cents at \$3.43 per bushel. This was 1.25 up from the low and 3.75 off the high. The outlook for a return of heat to the Midwest late next week and strength in the wheat market supported the early bounce but a lack of new buying interest and a set-back in soybeans helped trigger the set-back into the mid-session. Plenty of wheat/corn spreading and talk of good pollination weather this week helped push the market lower into the close. Funds were noted sellers of near 2,000 contracts. Ideas that much of the eastern Corn Belt is pollinating this week with ideal conditions is clashing with the outlook for heat next week and the potential that the western Corn Belt pollinates with dry soils and temperatures 10-15 degrees above normal.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded mix following a higher opening. The most active August contract traded up initially on increased buying interest at lower levels following a firm opening at Rs.785 a qtl. However, selling pressure at higher levels capped the early gains and traded in the range of Rs.782-789.5/qtl. The contract settled in red by 0.19% at Rs.782.5/qtl. The volumes as well as Open Interest have increased during the session.

**PRICE DRIVERS:****Bullish:**

- Lower arrivals amidst some demand from starch and poultry industries
- Acreage under kharif maize crops down 8.76 lakh hectare as on 29.06.07 against 12.55 lakh hectare year ago period
- Lower stocks in exchange warehouse

**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 with long upper shadow has formed, showing bears dominated the market at higher price levels. However, prices closed much above the EMA's showing some strength in the market, while MACD has entered in positive region. Stochastic is moving up in normal zone, whereas RSI is falling in normal region. Maize is likely to trade downwards initially following a steady weak opening with possibility of late up wards movement.

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

Month	S2	S1	PCP	R1	R2
August	775	777	782.5	786	788

**RECOMMENDATION:**

**SELL NCDEX-** Aug below 783 with target towards 777. Put stop loss near 786.

**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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