

■ MAIZE

■ July 23, 2007

Domestic Market Recap

Maize price has soared up by Rs.30/qtl between Rs.785-790/qtl ex-godown basis for the Bihar maize in Delhi on meagre arrivals around 1-2 motors from Bihar. Good demand from Haryana poultry industries are supported the tone. Summer crop arrivals of gajar maize (1 motor) is continued from U.P. and quoted at Rs.755-760/qtl. Bihar mandis remained bullish on very poor arrivals amidst good export demand from Bangladesh and traded around Rs.630-635/ qtl. Widespread rainfalls have restricted the arrivals. Moreover, rising demand from Bangladesh motivated producers and stockists to hold their stocks to catch more profit in near futures. The starch industries demand from Ahmedabad remained good. The stock position is good in Karnataka and this makes the market sentiments towards flat. As per trade sources, the stock position in Karnataka is near about 45 lakhs bags. According to the 4th advance estimate of GOI, total maize production for the year 2006-07 estimated up around 14.98 million tonnes as compared to last year production of 14.71 million tonnes. Although, all India acreage under kharif maize is still lower and this is also added underlying bullish tone.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		21.07.07	20.07.07		
Delhi (ex-godown)	Red Maize Bihar	785-790	760	+30	2 motors
Nizamabad (Bilty)	Red Maize	755-760	745	+15	
Devengere (Bilty)	Red Maize	740	740	-	
Naugachia, Bihar (Loose)	Red Maize	630-635	630	+5	100 bags
Ahmedabad	Poultry feed mills	850	850	-	3000 bags
Ahmedabad	Starch	840	840	-	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	830	825	+5	

International Futures Quotes (as of July 20, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	325.50	327.50	315.75	318.25	-3.00
December 2007	341.00	342.50	330.50	333.50	-2.75
March 2008	355.00	357.50	346.25	348.75	-3.00

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

CBOT corn futures finished lower Friday. December Corn finished down 2.75 cents at \$3.335 per bushel; this was 9 off the high and 3 up from the low. September Corn closed down 3 cents at \$3.183 per bushel. This was 2.5 up from the low and 9.25 off the high. Some forecasts for hot and mostly dry weather for much of the next 10 days and ideas that demand is picking up momentum on the recent break lent early buying support. Higher trade is soybeans added to the positive tone. The market is entering a time period where soybean direction may begin to provide leadership, as the corn crop is moving past the most sensitive time of the year for weather impact. A continued long liquidation trend from fund traders and talk of excellent yield potential for the crop after pollinating in cool and moist conditions this year helped trigger increased selling pressure as the session progressed.

■ MAIZE

■ July 23, 2007

FUTURES MARKETS:

Maize futures at NCDEX traded down initially following a steady to firm opening. The most active August contract traded lower at the early hours. However, increased buying interest at lower levels recovered the futures and traded in the range of Rs.787-787/qtl. The contract settled in green by 0.13% at Rs.787/qtl. The volumes as well as Open Interest have declined during the session.

PRICE DRIVERS:**Bullish:**

- Lower arrivals amidst some demand from starch and poultry industries
- 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:

- Bearish outlook of bajra on higher arrivals in coming days
- As 4th adv est., total maize production for the year 2006-07 estimated up around 14.98 million tonnes

TECHNICALS:

A small bullish candle with long lower shadow has formed, indicating bulls' domination at lower levels. The EMA patterns and MACD are showing that medium-term bullishness likely to be continued. RSI is flattening in normal region, whereas Stochastic is moving up following a bullish crossover in neutral region. Maize futures are likely to trade higher after a steady to firm opening.

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

Month	S2	S1	PCP	R1	R2
August	780	783	787	792	794

RECOMMENDATION:

BUY NCDEX - Aug above 786 with target towards 792. Put stop loss near 783.

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). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>