

■ MAIZE

■ July 31, 2007

Domestic Market Recap

Maize prices remained mostly steady in major domestic markets on steady to lower demand amidst meagre arrivals. Stock position is reportedly lower in Ahmedabad, U.P. mandis. According to trade sources, stock position in Ahmedabad remained around 1 lakh bags. The stock position in exchange warehouses is also lower. On July 26, stocks in NCDEX warehouses remain around 694 MT. The Indian poultry industry is facing some snags because of the outbreak of bird flu in some parts of north eastern India such as Manipur and Nagaland. Sri Lanka has halted the poultry imports from India. The export demands for eggs have also reportedly declined that resulting into lower demand of maize from poultry industries of India. Poultry industries consume near about half of the maize produce in the country and the total consumption of maize as poultry feed varies to 6-7 million tonnes each year. Export demand of maize from Bangladesh is reportedly lower during last of couple of days. Area under kharif maize has increased to 64.55 lakh hectares so far as on 27.07.07 as against 60.42 lakh hectares of corresponding period of last year.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qttl)		Change	Arrivals
		30.07.07	28.07.07		
Delhi (ex-godown)	Red Maize Bihar	815	815-820	-5	2 motors
Nizamabad (Bilty)	Red Maize	750-760	750-760	-	
Devengere (Bilty)	Red Maize	750	750	-	
Naugachia, Bihar (Loose)	Red Maize	700	700	-	400 bags
Ahmedabad	Poultry feed mills	860-880	860-880	-	10000 bags
Ahmedabad	Starch	870	870	-	
Pune	Starch Quality	865	865	-	
Pune	Sangli truck Bilty	855	855	-	

International Futures Quotes (as of July 27, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	318.00	322.00	315.75	321.00	+3.50
December 2007	333.00	337.50	331.00	336.50	+3.50
March 2008	349.50	352.25	347.00	351.75	+3.25

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

CBOT corn futures finished up Friday. December Corn finished up 3.5 cents at \$3.365 per bushel; this was 1 off the high and 5.5 up from the low. September Corn closed up 3.5 cents at \$3.21 per bushel. This was 5.25 up from the low and 1 off the high. Ideas that the market is overdue for a technical bounce and liquidation of wheat/corn spreads helped push corn futures higher early in the session. Better than expected rains in Iowa overnight and some positioning ahead of the weekend sparked some long liquidation selling when soybeans pushed moderately lower on the day and wheat stayed weak. Reports of higher prices and corn shortages in India was also seen as supportive with talk that export restrictions may be needed to avoid a shortage.

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FUTURES MARKETS:

Maize futures at NCDEX traded mix following a lower opening. The most active August contract traded mostly sideways following a weak opening at Rs.777.5/qtl and traded in the range of Rs.774.5-780/qtl. Finally, the contract settled in red by 0.19% at Rs.777/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
- 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
- Acreage under kharif maize crops up at 64.55 lakh hectares so far as on 27.07.07 as compared to 60.42 lakh hectares year ago period
- Outbreak of bird flu in India has reduced the maize demand

TECHNICALS:

Almost Doji has formed gaps away from a long real black body in a down trend, indicating some possibility of an important reversal signal that is usually confirmed by a white upward body in the next session. However, Prices closed below the EMAs. Stochastic are in oversold region, showing some possibility of technical correction. However, RSI and MACD remained weak. Maize futures are likely to trade higher after a steady to slightly firm opening.

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

Month	S2	S1	PCP	R1	R2
August	773	775	777	784	786

RECOMMENDATION:

BUY NCDEX - August above 778 with target towards 784. Put stop loss near 775.

Do not carry forward the position until the next day.

Weather Impact Analysis

While South India features normal to better rains, Central and North India are reeling under a weak phase of monsoon, which is not favourable for the growing crop

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