

## ■ MAIZE

■ August 1, 2007

**Domestic Market Recap**

Maize prices have declined in major domestic markets on lower buying interest. Stock position is reportedly lower in Delhi, Ahmedabad, U.P. mandis. According to trade sources, stock position in Ahmedabad remained around 1 lakh bags and in Delhi it remained around 50,000 bags. The outbreak of bird flu in some parts of north eastern India such as Manipur and Nagaland has limited the overseas as well as domestic demand. Sri Lanka has halted the poultry imports from India. The export demands for eggs have also reportedly declined. India is a major exporter of eggs to Middle East, the trade which was closed for some time and opened only few months ago is now slowed down again that resulting to lower demand of maize from poultry industries of India. However, very poor arrivals have supported the sentiments in Bihar. 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/qrtl)		Change	Arrivals
		31.07.07	30.07.07		
Delhi (ex-godown)	Red Maize Bihar	820	815	+5	3 motors
Nizamabad (Bilty)	Red Maize	720-725	750-760	-35	
Devengere (Bilty)	Red Maize	710	750	-40	
Naugachia, Bihar (Loose)	Red Maize	700-705	700	+5	100-200 bags
Ahmedabad	Poultry feed mills	840-850	860-880	-30	5000 bags
Ahmedabad	Starch	840	870	-30	
Pune	Starch Quality	850	865	-15	
Pune	Sangli truck Bilty	840	855	-15	

**International Futures Quotes (as of July 30, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	324.00	324.00	313.50	323.50	+2.50
December 2007	339.50	340.50	329.00	340.00	+3.50
March 2008	355.00	355.50	345.00	355.25	+3.50

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

CBOT corn futures settled up Monday. December Corn finished up 3.5 cents at \$3.40 per bushel, 0.5 off the high and 11 up from the low. September Corn closed up 2.5 cents at \$3.235 per bushel. This was 10 up from the low and 0.5 off the high. A drier weather forecast at mid-day, however, supported the late run higher in corn. The market followed soybeans higher early in the session due to a relatively hot and dry weather forecast for the next week or so for the Midwest. However, while soybeans are at a more critical stage of development, the market sees less risk to the corn crop of a period of hot and dry weather as the crop has already pollinated successfully and it will likely take harsh weather to hurt the production.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded marginally up on late buying support following a mix opening. The most active August contract traded down initially following a weak opening at Rs.773/qtl. However, buying support at lower levels thereafter recovered the futures and traded in the range of Rs.768-776.5/qtl. Finally, the contract settled in blue at Rs.776/qtl. The volumes as well as Open Interest have declined during the session.

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

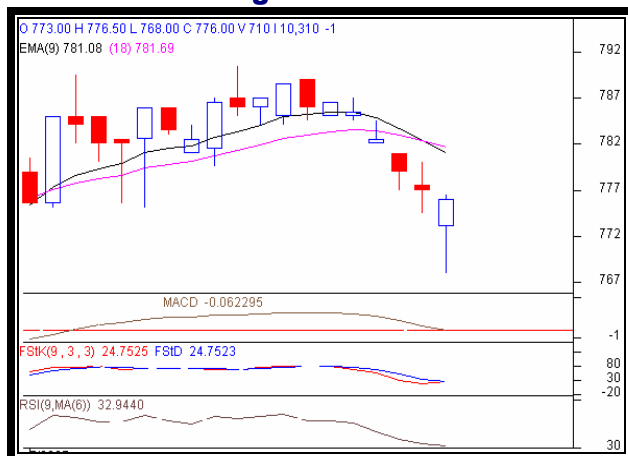
- Lower arrivals amidst some demand from starch and poultry industries
- Lower stocks in exchange warehouse

**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:**

A bullish candle with long lower shadow has formed, indicating buying interest at lower levels. However, Prices closed below the EMAs. Stochastic are in the verge of making bullish crossover, showing some recovery from previous weakness. However, RSI and MACD continued to be 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	770	772	776	781	783

**RECOMMENDATION:**

**BUY NCDEX** - August above 775 with target towards 781. Put stop loss near 772.

**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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