

## ■ MAIZE

■ July 12, 2007

**Domestic Market Recap**

Maize sentiments remained stable at Rs.750/qrtl ex-godown basis in Delhi mandis on steady demand supply scenario. Arrivals remained around 3 motors from Bihar. The demand from poultry industries of Ahmedabad remained good and poultry feed mills quoted flat at Rs. 850/qrtl. 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. The normal area under maize in the country is around 62.16 lakh hectares. Near about 14.1% of normal area has covered so far. The erratic weather mainly flood in Karnataka, A.P., Maharashtra is hindering the sowing progress. Moreover, shifting of acreage towards other crops due to higher cost of cultivation involved in maize cultivation in Andhra Pradesh is also a prominent factor. However, there is still time for sowing.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		11.07.07	10.07.07		
Delhi (ex-godown)	Red Maize Bihar	750	750	-	3 motors
Nizamabad (Bilty)	Red Maize	755	755-760	-	
Devengere (Bilty)	Red Maize	740	740-745	-	
Naugachia, Bihar (Loose)	Red Maize	570	570	-	500 bags
Ahmedabad	Poultry feed mills	850	850-855	-	
Ahmedabad	Starch	815	815-820	-	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	820	820	-	

**International Futures Quotes (as of July 10, 2007)**

CBOT

Contract Month	Open	High	Low	Settle	Change
July 2007	332.50	340.00	332.50	338.00	+5.50
September 2007	340.50	348.00	340.00	345.50	+6.25
December 2007	351.00	359.00	350.50	357.00	+6.75

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

CBOT corn futures settled higher. December Corn finished up 6.75 cents at \$3.5 per bushel, this was 2 off the high and 6.5 up from the low. Strength in the other grains and declining crop conditions with a dry forecast helped spark some new buying and short-covering early in the session to drive the market to a 6-session peak. Overnight weather models showed a much stronger possibility that the cool and dry trend for the Midwest shifts to a hot and dry trend for July 19th to the 23rd. With much of the western half of Iowa and Minnesota looking at 30 day precipitation at near 25% of normal, a dry period for the next two weeks with heat at the end of this period could see corn pollination negatively impacted "if" a hot and dry trend develops late next week.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded up following a weak opening. The most active August contract turned sharply up on increased buying interest at lower levels following a weak opening at Rs.775.5 a qtl. and traded in the range of Rs.775-785/qtl. Increased buying support settled up the contract by 1.16% at Rs.785/qtl. The volumes have increased whereas Open Interests have decreased marginally 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:**

An engulfing bullish candle has formed, showing bulls dominated the market. Prices closed much above the EMA's showing that uptrend may continue in medium term, while MACD is about to enter in positive region. RSI and stochastic are moving up in normal zone, favouring bulls. Maize is likely to trade upwards following a steady firm opening with possibility of late down wards movement.

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

Month	S2	S1	PCP	R1	R2
August	778	780	785	792	794

**RECOMMENDATION:**

**BUY NCDEX-** Aug above 783 with target towards 790, second target near 792. Put stop loss near 780.

**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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