

■ MAIZE

■ July 24, 2007

Domestic Market Recap

Maize price continued to be bullish by Rs.10/qtl at Rs.800/qtl ex-godown basis for the Bihar maize in Delhi on very poor arrivals around 1 motor from Bihar. Good demand from Haryana poultry industries are supported the tone. No arrivals of gajar maize is reported from U.P. Bajra prices quoted firm too at Rs.690-700/qtl. on lower arrivals around 5 motors from U.P.. Bihar mandis remained bullish on very poor arrivals amidst good export demand from Bangladesh and traded around Rs.630-640/ 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. Bihar maize are exported steadily towards Bangladesh through Dalkhola mandis of West Bengal. Dalkhola mandis witnessed around 1000 bags arrivals daily from Bihar. The maize price also increased to Rs.750-770/qtl in Kolkata mandis on lower arrivals amidst steady demand. 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. Stock position in Andhra Pradesh is reported to 15 lakh bags and good demand has improved the sentiments.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		22.07.07	21.07.07		
Delhi (ex-godown)	Red Maize Bihar	800	785-790	+10	1 motors
Nizamabad (Bilty)	Red Maize	755-760	755-760	-	
Devengere (Bilty)	Red Maize	740-745	740	+5	
Naugachia, Bihar (Loose)	Red Maize	630-640	630-635	+5	100 bags
Ahmedabad	Poultry feed mills	850	850	-	2800 bags
Ahmedabad	Starch	840	840	-	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	830	830	-	

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 in 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

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FUTURES MARKETS:

Maize futures at NCDEX traded up following a steady to firm opening. The most active August contract traded bullish on increased buying interest at lower levels following a weak opening at 785/qtl and traded in the range of Rs.784-788.5/qtl. The contract settled in green by 0.19% at Rs.788/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:

- As 4th adv est., total maize production for the year 2006-07 estimated up around 14.98 million tonnes

TECHNICALS:

A bullish candle has formed, indicating bulls dominated the market. The EMA patterns and MACD indicate that medium-term bullishness is likely to continue. RSI is rising gradually in normal region, whereas Stochastic is remained flat after 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	783	785	788	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 k
rainfalls and water stagnation are not desirable.

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