

■ MAIZE

■ July 11, 2007

Domestic Market Recap

Maize traded flat at Rs.750/qtl ex-godown basis in Delhi mandis on steady demand supply scenario. The price quoted between Rs.730-735/qtl on station delivery. Some demand has reported from Haryana. Price quoted up in Bihar mandis on lower arrivals. Naugachia mandis witnessed very lower arrivals. However stock position is good and farmers are not interest to release their stocks at lower prices. The demand from poultry industries of Ahmedabad remained good and poultry feed mills quoted higher by Rs.5/qtl between Rs. 850-855/qtl. Four rakes have arrived in Ahmedabad. According to trade sources, 50% of total rakes arrivals are stored in godown. Higher rates of eggs motivated poultry businessman to increase the number of birds that resulting into some demand of poultry feed. Kharif maize sowing is still lagging behind as compared to corresponding period of previous year. Stock position in exchange warehouse declined to 694 MT. Of the total amount, Devengere warehouse contain 48 MT and Karimnagar warehouse contain 646 MT as on 09.07.07. However, some accumulation of stocks is possible in exchange warehouses, due to lower prices at production centres of Bihar.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		10.07.07	09.07.07		
Delhi (ex-godown)	Red Maize Bihar	750	750	-	3 motors
Nizamabad (Bilty)	Red Maize	755-760	760	-	
Devengere (Bilty)	Red Maize	740-745	765	-20	
Naugachia, Bihar (Loose)	Red Maize	570	560	-10	1500 bags
Ahmedabad	Poultry feed mills	850-855	850	-5	4 rakes
Ahmedabad	Starch	815-820	825	-5	
Pune	Starch Quality	850	850	-	1 rakes
Pune	Sangli truck Bilty	820	820	-	

International Futures Quotes (as of July 09, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	330.00	333.00	326.00	332.50	-2.00
September 2007	337.00	341.00	334.25	339.25	-2.25
December 2007	348.50	351.75	344.50	350.25	-1.75

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

CBOT corn futures finished down Monday. December Corn finished down 1.75 cents at \$3.503 per bushel, this was 1.5 off the high and 5.75 up from the low. September Corn closed down 2.25 cents at \$3.393 per bushel. This was 5 up from the low and 1.75 off the high. Ideas that a good rain event will help crops in western Iowa and eastern Indiana/Ohio avoid further stress into pollination and a lack of heat for the coming week is seen as a bearish weather development. Weekly export inspections, released during the session, came in at 22.36 million bushels, well below expectations for 35-38 million. In order to reach the USDA projection, shipments need to average 49.8 million bushels per week for the rest of the season.

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FUTURES MARKETS:

Maize futures at NCDEX traded down following a mix opening. The most active August contract turned down on increased selling interest at higher levels following a weak opening at Rs.779 a qtl. and traded in the range of Rs.775.5-780.5/qtl. Increased selling pressure settled down the contract by 0.26% at Rs.775.5/qtl. The volumes have increased marginally whereas Open Interests have decreased during the session.

PRICE DRIVERS:**Bullish:**

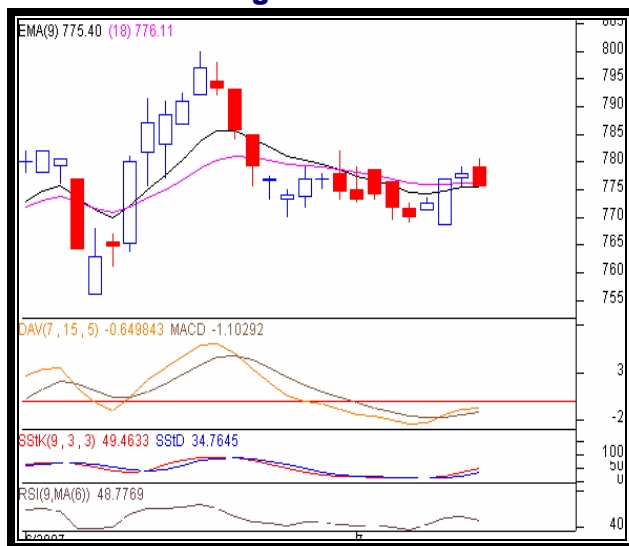
- Lower arrivals amidst some demand from starch and poultry industries
- Acreage under kharif maize crops down 4.78 lakh hectare as on 22.06.07 against 5.59 lakh hectare year ago period
- Lower stocks in exchange warehouse

Bearish:

- Bearish outlook of bajra on higher arrivals in coming days
- Kharif crop showing is likely to supported by steady progress of monsoon

TECHNICALS:

An engulfing bearish candle has formed, showing bears dominated the market. Prices closed below the 18 days EMA showing that strength is decreasing, while MACD is in negative region. RSI is moving down in normal zone. Only stochastic is moving up in neutral zone. Maize is likely to trade downwards following a steady to slightly weak opening.

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

Month	S2	S1	PCP	R1	R2
August	765	768	775.5	777	780

RECOMMENDATION:

SELL NCDEX- Aug below 774 with target towards 768. Put stop loss near 777.

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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