

■ M A I Z E

■ July 19, 2007

Domestic Market Recap

Red maize from Bihar continued to be steady at Rs.760/qtl ex-godown basis in Delhi on the arrivals of 4-5 motors from Bihar. Summer crop arrivals of gajar maize (1 motor) have started from U.P. and quoted at Rs.720-725/qtl. Lower demand from Punjab and Haryana are reported. Punjab mandis witnessed fresh arrivals from the local districts. According to trade sources, 2-3 motors arrivals are reported from the two district of Nanaksar and Hoshiarpur. Bajra price quoted flat around Rs.655-660/qtl in Delhi and arrivals stood at 10 motors from U.P. Bihar mandis witnessed bullish tone on improving demand amidst lower arrivals. The arrivals declined to 4000-5000 bags in all over Bihar. Naugachia mandis saw the arrivals around 300 bags. Higher demand is reported from Bangladesh and west Bengal. Area under kharif maize is still lagging behind this year by 6% at 27.04 lakh hectares so far as on 06.07.07 as compared to 28.75 lakh hectares during corresponding period of last year. This is also underpinning the tone.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		18.07.07	17.07.07		
Delhi (ex-godown)	Red Maize Bihar	760	755-760	-	4-5 motors
Nizamabad (Bilty)	Red Maize	740	740	-	
Devengere (Bilty)	Red Maize	740	740	-	
Naugachia, Bihar (Loose)	Red Maize	620	580	+40	300 bags
Ahmedabad	Poultry feed mills	840	840	-	3000 bags
Ahmedabad	Starch	840	840	-	
Pune	Starch Quality	840	840	-	
Pune	Sangli truck Bilty	825	825	-	

International Futures Quotes (as of July 17, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	332.25	333.50	318.00	322.50	-12.25
December 2007	346.25	347.50	331.50	336.75	-11.75
March 2008	360.00	361.50	346.00	351.25	-10.50

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

CBOT corn futures settled down. December Corn finished down 11.75 cents at \$3.367 per bushel; this was 10.75 off the high and 5.25 up from the low. September Corn closed down 12.25 cents at \$3.225 per bushel. This was 4.5 up from the low and 11 off the high. With the corn crop in the western Corn Belt pollinating sooner than normal and cooler and wetter than expected weather for this week, the market saw early selling pressure as funds and specs continue in a long liquidation mode. Mid-day weather models showed decent rains extended west to all of Iowa and parts of Nebraska for the next few days which added to the bearish tone late in the day.

■ MAIZE

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FUTURES MARKETS:

Maize futures at NCDEX traded mix following a steady to lower opening. The most active August contract traded marginally up on increased buying interest following a weak opening at Rs.781 a qtl. and traded in the range of Rs.781-784/qtl. The contract settled in red by 0.13% at Rs.782.5/qtl. The volumes have increased whereas Open Interest remained down during the session.

PRICE DRIVERS:**Bullish:**

- Lower arrivals amidst some demand from starch and poultry industries
- Acreage under kharif maize crops down at 27.04 lakh hectares so far as on 06.07.07 as compared to 28.75 lakh hectares 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:

A small bullish candle with upper shadow has formed, indicating some selling pressure at higher levels. However, the EMA patterns and MACD remain medium-term bullish. RSI is delicately poised and could go either way. Stochastic has made bearish crossover favouring some weakness at medium terms. Maize futures are likely to trade higher after a steady to slightly weak opening.

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

Month	S2	S1	PCP	R1	R2
August	779	776	782.5	791	795

RECOMMENDATION:

BUY NCDEX- Aug above 781 with target towards 787, second target around 790. Put stop loss near 778.

Do not carry forward the position until the next day.

Weather Impact Analysis

Rainfalls in the vegetative growth stage of kharif crop are favourable. However, very heavy rainfalls and water stagnation are not desirable.

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