

■ MAIZE

■ July 18, 2007

Domestic Market Recap

Maize sentiments continued to be steady between Rs.755-760/qtl ex-godown basis in Delhi on steady demand supply (2-3 motors from Bihar) scenario. 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 up around Rs.655-660/qtl in Delhi and arrivals stood at 10 motors from U.P. However, bajra prices are remained lower than maize by 12-13%, thus making it a substitute commodity of poultry feed against maize. Poultry farmers in North India are replacing maize partly in the rations. Karnataka and Andhra Pradesh mandis are witnessing flat tone on meagre demand. The demand of maize is higher in Tamil Nadu due to high egg prices and continued export. The starch industries demand from Ahmedabad remained good. 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. Near about 43.5% of normal area has covered so far.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		17.07.07	16.07.07		
Delhi (ex-godown)	Red Maize Bihar	755-760	760	-	4 motors
Nizamabad (Bilty)	Red Maize	740	740	-	
Devengere (Bilty)	Red Maize	740	740	-	
Naugachia, Bihar (Loose)	Red Maize	580	580	-	500 bags
Ahmedabad	Poultry feed mills	840	845	-5	3000 bags
Ahmedabad	Starch	840	815	+25	
Pune	Starch Quality	840	840	-	
Pune	Sangli truck Bilty	825	810	+15	

International Futures Quotes (as of July 16, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	347.00	348.25	334.75	334.75	-20.00
December 2007	362.25	362.25	348.50	348.50	-20.00
March 2008	375.50	375.50	361.75	361.75	-20.00

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

CBOT Corn futures closed lower. December Corn finished down 20 cents at \$3.485 per bushel; this was 2.5 off the high and equal to the low. September Corn closed down 20 cents at \$3.348 per bushel. This was equal to the low and 3.25 off the high. The outlook for much lower temperatures across the Midwest this week as compared with the Friday forecast relieved fears of stressful conditions at the tail end of the Eastern Corn Belt pollination period, and a delay of the heat moving into the Western Corn Belt combined with better chances of rain this week across Minnesota and Iowa helped spark aggressive long liquidation selling early in the session. In addition to the weekly report, the USDA announced that "unknown" destination bought 101,000 tonnes of US corn overnight.

■ MAIZE

■ July 18, 2007

FUTURES MARKETS:

Maize futures at NCDEX traded bearish following a steady to higher opening. The most active August contract traded down on increased selling interest at higher levels following a firm opening at Rs.786 a qtl. and traded in the range of Rs.783-786/qtl. The contract settled in red by 0.19% at Rs.783/qtl. The volumes have declined sharply whereas Open Interest remained flat 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 supported by steady progress of monsoon

TECHNICALS:

A small bearish marubozu has formed, indicating some selling pressure at higher levels. However, the EMA patterns and MACD remain medium-term bullish. Stochastic is also supporting the bulls. Only RSI is falling in neutral zone. 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	783	791	795

RECOMMENDATION:

BUY NCDEX- Aug below 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 sowing stage of kharif crop are favourable. However, very heavy rainfalls and water stagnation are not desirable

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.