

■ MAIZE

■ July 06, 2007

Domestic Market Recap

Maize trades between Rs. 750-755/qtl ex-godown basis in Delhi mandis on lower demand amidst meagre arrivals. Poultry industries of Haryana are preferring bajra that is quoted around Rs.635-640/qtl. The higher arrivals of bajra around 15 motors daily from U.P. are pressurising the tone. The maize demand for poultry feed remained higher in Tamilnadu on the tri-weekly egg scheme of the state government to school children. Further, continuous export of eggs to Gulf countries is improving the demand. Hatcheries in different part of the Tamilnadu are gearing up for an additional production to meet the demand. Maize trades steady to down at Rs.570-575/qtl in Bihar mandis amidst lower arrivals around 1000 bags reported from Naugachia mandis. Rakes loading are continued towards the destination of Ahmedabad. The flood in Maharastra, Gujarat and Andhra Pradesh is increasing the concern of lower kharif production this year because sowing has started already and water stagnation in the field is not favourable for crop growth.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		05.07.07	04.07.07		
Delhi (ex-godown)	Red Maize Bihar	750-755	755-760	-	2 motors
Nizamabad (Bilty)	Red Maize	765	765	-	
Devengere (Bilty)	Red Maize	770	770	-	
Naugachia, Bihar (Loose)	Red Maize	570-575	580	-5	1000 bags
Ahmedabad	Poultry feed mills	860-865	835-850	+15	
Ahmedabad	Starch	840-855	850	+5	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	830	830	-	

International Futures Quotes (as of July 03, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	327.00	327.00	318.00	320.00	-10.50
September 2007	338.00	338.00	326.75	328.50	-11.25
December 2007	346.00	347.00	336.00	338.00	-12.00

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

CBOT corn futures settled lower Tuesday. December Corn finished down 12 cents at \$3.389 per bushel, this was 9 off the high and 2 up from the low. September Corn closed down 11.25 cents at \$3.285 per bushel. This was 1.75 up from the low and 9.50 off the high. The outlook for good growing conditions in the Midwest into the pollination period and spillover selling pressure from the USDA report of an extra 2 1/4 million acres from Friday's release helped to pressure the market early. Fund selling thought to be long liquidation emerged to help drive futures sharply lower on the session with December corn down as much as 99 cents from the June 18th peak. Some rains for the dry areas of the eastern Corn Belt in the next few days and the outlook for a rain event for the dry areas of Nebraska and Iowa for early next week helped spark the selling. Ideas that the China crop could reach a new record high this year after 1/2 to 2 inches of rain over the past weekend added to the bearish tone.

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FUTURES MARKETS:

Maize futures at NCDEX traded mix following a steady to firm opening. The most active July contract tumbled up on increased buying support following a marginally higher opening at Rs.772.5 a qtl. as against the previous closing of Rs.772 a qtl. and traded in the range of Rs.772.5-779.5/qtl. Increased buying interest settled up the contract at day's high by 0.97% at Rs.779.5/qtl. The volumes as well as Open Interests have increased during the session.

PRICE DRIVERS:**Bullish:**

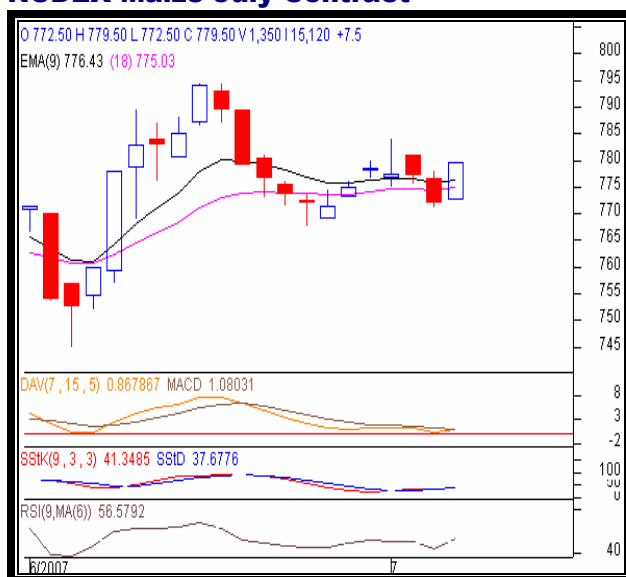
- Lower arrivals amidst some demand from starch and poultry industries
- Acreage under kharif maize crops down 4.78 lakh hectare as on 22.06.07 against 5.59 lakh hectare year ago period

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 bullish marubazu candle has formed on the charts, indicating steady support from bulls. Prices closed above the EMA's, showing some strength for medium term. MACD is moving upwards in positive region. RSI turning up in neutral zone. Stochastic is moving up in neutral zone, favouring bulls. Maize is likely to trade bullish following a firm opening.

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

Month	S2	S1	PCP	R1	R2
July	772	775	779.5	788	792

RECOMMENDATION:

BUY NCDEX- July above 778 with target towards 786, second target near 788. Put stop loss near 774.

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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