

## ■ MAIZE

■ July 07, 2007

**Domestic Market Recap**

Maize traded between Rs. 750-755/qtl ex-godown basis in Delhi mandis on lower demand and meagre arrivals around 2 motors daily from Bihar. No rake arrivals are reported from Bihar. The demand from starch industries of Ahmedabad is steady. However, arrivals fall short of the demand. One rake arrivals from Bihar are reported from Bihar mandis. However, Bihar maize in Gujarat is quoted Rs.15-20/qtl lower as against the local crop because of inferior quality. Bihar mandis witnessed flat sentiments and price remained around Rs. 570-575/qtl in thin trading. Around 1000 bags arrivals were reported from Naugachia mandis. Rake loading continued for Ahmedabad. Kharif maize sowing is still lagging behind as compared to corresponding period of previous year. According to trade sources the acreage is lower in A.P. because of shifting of acreage towards other crops due to higher cost of cultivation involved in maize cultivation. Moreover, the flood in Maharashtra, Gujarat and AP is increasing 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
		06.07.07	05.07.07		
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	-	1000 bags
Ahmedabad	Poultry feed mills	860-865	835-850	-	
Ahmedabad	Starch	840-855	850	-	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	830	830	-	

**International Futures Quotes (as of July 05, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	324.50	326.00	321.00	324.00	+4.00
September 2007	335.00	336.00	330.00	332.50	+4.00
December 2007	344.25	345.50	339.50	342.50	+4.50

**International Market Recap****CBOT Corn Futures Settled Sharply Up**

CBOT corn futures settled higher Thursday. July corn gained 4 cents to \$3.24 a bushel, September rose 4 cents to \$3.325 per bushel and December gained 4.50 cents to \$3.425 per bushel. Some dryness concerns for the western Corn Belt and a surge higher in wheat was enough to support short-covering and a bounce in corn. There was a little less rain for the middle of this week for the Midwest than traders had expected. After heating up into the mid-90's for the weekend and early next week, the eastern Corn Belt looks to get hit with decent coverage of 1/4 to 3/4 inches of rain for the middle of next week. However, there are some concerns that the drier areas of western/central Minnesota and Nebraska may not receive much in the way of rain after the heat ridge for the weekend so there could be some increased stress on crops in these areas. In addition, there are still a few dry pockets in the eastern Corn Belt.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded up following a steady to firm opening. The most active July contract continued up on increased buying support following a steady opening at Rs.778 a qtl. as against the previous closing of Rs.779.50 a qtl. and traded in the range of Rs.778-784/qtl. Increased buying interest settled up the contract at day's high by 0.19% at Rs.781/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:**

Candlestick showing bullish market but selling pressure at higher levels. However, prices closed above the EMA's showing some strength for medium term, while MACD is slightly upwards in positive region. RSI has turned higher in neutral zone. Stochastic is also favours the bulls. Maize is likely to trade bullish following a steady to weak opening.

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

Month	S2	S1	PCP	R1	R2
July	772	775	781	789	792

**RECOMMENDATION:**

**BUY NCDEX-** July above 779 with target towards 786, second target near 789. Put stop loss near 775.

**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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