

■ MAIZE

■ August 17, 2007

Domestic Market Recap

Maize sentiments remained steady to marginally up in major domestic markets on steady demand supply scenario. The Bihar maize traded flat at Rs.815/qrtl in Delhi mandis on the arrivals of 4 motors from Bihar. Hybrid maize arrivals around 4-5 motors are reported from U.P. However, lower demand because of lower quality has surpassed the market. Hybrid maize quoted around Rs.790/qrtl. and traded Outlook of higher Kharif maize production is also underpinning the tone. The activity in the different markets of Bihar continued to be lower on the prevailing flood situation. According to traders 5-6% stocks has been damaged due to flood. The daily arrivals witnessed lower around 200 bags at Naugachia mandi of Bihar and price quoted marginally up at Rs.710/qrtl for superior quality. However, poor quality traded lower between Rs.660-680/qrtl. Lower demand from West Bengal is also pressurising the market. Acreage under kharif maize crops increased at 7.03 million hectares so far as on 10.08.07 as against 6.33 million hectares year ago period. Poultry industry is growing rapidly in India. According to industry estimate, the poultry industry from 2007/08 onwards is likely to grow by 7% as against a 4% growth until last year 2006/07.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		16.08.07	14.08.07		
Delhi (ex-godown)	Red Maize Bihar	815-820	815	+5	4 motors
Nizamabad (Bilty)	Red Maize	730	735	-5	
Davangere (Bilty)	Red Maize	730	730	-	
Naugachia, Bihar (Loose)	Red Maize	710	700	+10	200 bags
Ahmedabad	Poultry feed mills	825	825	-	5000 bags
Ahmedabad	Starch	825	825	-	
Pune	Starch Quality	800	800	-	
Pune	Sangli truck Bilty	760	760	-	

International Futures Quotes (as of August 15, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	329.50	333.25	324.50	328.00	+0.50
December 2007	347.00	351.00	341.50	345.25	+0.25
March 2008	361.50	365.75	357.50	360.50	-

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

CBOT corn futures settled up Wednesday. December Corn finished up 0.25 cents at \$3.453 per bushel; this was 5.75 off the high and 3.75 up from the low. September Corn closed up 0.5 cents at \$3.28 per bushel. This was 3.5 up from the low and 5.25 off the high. . Solid export demand news recently has helped support the market but long liquidation selling emerged yesterday to pressure and commercial buyers seem a bit more active on the set-back. Israel bought near 100,000 tonnes of US corn according to European traders. News that Argentina producers could boost corn planted area by 12% this year may have limited the upside for December 2008 corn. The outlook for hefty rains across the Midwest for the weekend helped keep the soybean market under pressure late and helped limit the gains in corn.

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FUTURES MARKETS:

Maize futures at NCDEX traded mixed following a weak opening. The most active September contract recovered up during the later session on increased buying interest at lower levels. The contract opens lower at Rs.740/mtl. and traded in the range of Rs.737-740/mtl. Finally, the contract settled in red at Rs.740/mtl. The Volumes have declined whereas Open Interests have increased marginally during the session.

PRICE DRIVERS:**Bullish:**

- Increasing growth of poultry industries
- Lower stocks in exchange warehouse

Bearish:

- As 4th adv est., total maize production for the year 2006-07 estimated up around 14.98 million tonnes
- Acreage under kharif maize crops up at 7.03 million hectares so far as on 10.08.07 as against 6.33 million hectares year ago period
- Outbreak of bird flu in India has reduced the maize demand

TECHNICALS:

A dragonfly doji pattern has formed on the chart, indicating that longs dominated into the market at lower levels. This is bottom reversal indicator when confirmed with a bullish engulfing pattern. However, the EMAs & MACD remain medium-term bearish. However RSI and Stochastic don't show significant recovery. The market is likely to trade slightly higher following a steady to firm opening. Buyers can take position after confirming the strength in the market.

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

Month	S2	S1	PCP	R1	R2
September	730	735	740	748	751

RECOMMENDATION:

BUY NCDEX - September above 738 with target towards 744. Second target near 747. Put stop loss near 735.

Do not carry forward the position until the next day.

Weather Impact Analysis

While South India features normal to better rains, Central and North India are reeling under a weak phase of monsoon, which is not favourable for the growing crop

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