

■ MAIZE

■ August 25, 2007

Domestic Market Recap

Friday's Maize spot prices traded steady in the domestic markets on a steady buying support from the consuming units. Lower closing at CBOT corn futures also prevented the upward movement of prices in the domestic markets. The arrivals into the various mandis continued to be steady with no arrivals reported in the Kolkota market whereas markets in south received increased arrivals of 700 bags at Pune to 5000 bags at Ahmedabad. Bihar maize in Delhi mandis traded steady at Rs.850/qrtl on tight arrivals of 1 motor against a steady physical demand. The maize (loose) prices at Nughachia, Bihar traded steady at Rs.730/qrtl against slightly increased supply. Pune Sangli truck bilty traded down on weak demand against the healthy arrivals. Good demand surged the prices at Davangere (Bilty) and quoted at Rs.700-705/qrtl. The maize prices quoted firm at Rs.750/qrtl at Kolkota as supply was tightened from Bihar. During Friday's trade, in various Delhi mandis, hybrid maize arrivals from U.P. stood steady around 6-7 and prices quoted at Rs.800/qrtl, remained unchanged. The International Grain Council increased their world corn production forecast to 755 million tonnes, up 3 million from last month. South maize markets are now dealing with Bangladesh for maize export.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		24.08.07	23.08.07		
Delhi (ex-godown)	Red Maize Bihar	850	850	-	1 motors
Nizamabad (Bilty)	Red Maize	700	700	-	
Davangere (Bilty)	Red Maize	700-705	695-700	+5	
Naugachia, Bihar (Loose)	Red Maize	730	725-730	-	100 bags
Ahmedabad	Poultry feed mills	820-825	820-825	-	5000 bags
Ahmedabad	Starch	790-800	780-800	-	
Pune	Starch Quality	775-780	780	-	700 bags
Pune	Sangli truck Bilty	745	750	-5	

International Futures Quotes (as of August 23, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	354.00	354.50	344.00	345.25	-2.25
December 2007	370.00	372.00	360.50	362.00	-2.25
March 2008	386.00	387.50	376.00	377.25	-1.75

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

CBOT corn futures settled down Thursday. December Corn finished down 2.25 cents at \$362 per bushel; this was 10 off the high and 1.5 up from the low. September Corn closed down 2.25 cents at \$345.25 per bushel. This was 1.5 up from the low and 9.5 off the high. CBOT corn future settled lower after posting a 1.5 months high against increased selling pressure at higher level. The other grains supported the initial surge of the market and good export news but could not survive due to lack of buying support coupled with the rise of wheat prices. Expectation of high productivity in Midwest crop initially outpaced the talks of flood in northern and western corn belt. Cumulative sales have reached 19.5% of the USDA forecast for the entire marketing year as compared to 9.3% on average over the last five years. The International Grain Council increased their world corn production forecast to 755 million tonnes, up 3 million from last month.

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FUTURES MARKETS:

Maize futures at NCDEX traded weak Thursday. The most active September contract traded down and tested a low of Rs.732.50/ctl on the increased selling pressure at higher level. The prices settled lower at Rs.733/ctl, down of Rs.11.00 from the previous close of Rs.744/ctl. The contract opened slightly firm at Rs.744.50/ctl against the previous close of Rs.744/ctl and traded in the range of Rs.732.50-745/ctl. The Volumes increased marginally while Open Interests have declined significantly.

PRICE DRIVERS:**Bullish:**

- Increasing growth of poultry industries
- Lower stocks in exchange warehouse
- Floods in Bihar has encouraged south markets to export of Maize to bordering countries

Bearish:

- Expected larger crops than the last year
- Acreage under kharif maize crops up at 71.49 lakh hectares so far as on 17.08.07 as against 67.76 lakh hectares a year ago during the same period.
- Outbreak of bird flu in India has reduced the maize demand

TECHNICALS:

A long bearish candlestick has been formed showing bears coming to control the market. Prices closed below the short term and medium term EMAs showing selling pressure in the market. MACD is moving up from the negative region. Stochastic has started upward movement in the neutral region. RSI is falling down in the positive territory showing weakness in the market. Maize is likely to trade downwards following a steady to slightly weak opening.

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

Month	S2	S1	PCP	R1	R2
September	723	725	733	740	742

RECOMMENDATION:

SELL NCDEX - September below 734 with target 730, then 728. Put stop loss near 736.

Do not carry forward the position until the next day.

Weather Impact Analysis

While South India features normal to better rains, Monsoon is reviving in Central and North India. Eastern India is slowly recovering from floods

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