

■ MAIZE

■ August 22, 2007

Domestic Market Recap

Tuesday's Maize spot prices traded steady to slightly up in the domestic markets on good demand against restricted supply. The maize (loose) prices at Nughachia, Bihar was up at Rs.725/qrtl on restricted supply due to heavy floods against good demand from the Delhi and Kolkota mandis while the prices were slashed down at Nizamabad and Davangere (Bilty) on subdued trading activity. Ahmedabad poultry feed mills quoted firm on a tight supply whereas starch quality traded down against a healthy arrival. In Delhi mandis, Bihar maize traded up at Rs.835/qrtl on a restricted supply. Hybrid maize arrivals from U.P. have been increased from 4-5 motors from previous day's to 6-7 motors and prices down at Rs.780/qrtl. Prices rolled firm at Kolkata mandi on tight supply from Bihar. Due to quality concern of Indian maize, the demand from the neighbouring countries continued to slow down. Although most of the corn fields under the flood in Bihar, still traders expect a good production this year. Bazara ruled firm in various mandis in Delhi.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		21.08.07	20.08.07		
Delhi (ex-godown)	Red Maize Bihar	835	830	+5	2-3 motors
Nizamabad (Bilty)	Red Maize	700	710	-10	
Davangere (Bilty)	Red Maize	700	710	-10	
Naugachia, Bihar (Loose)	Red Maize	725	710-715	+10	100 bags
Ahmedabad	Poultry feed mills	840	830	+10	3000 bags
Ahmedabad	Starch	800	810	-10	
Pune	Starch Quality	780	790	-10	200 bags
Pune	Sangli truck Bilty	750	750	-	

International Futures Quotes (as of August 20, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	327.00	332.50	324.50	331.75	+3.25
December 2007	344.25	349.50	341.00	348.75	+3.00
March 2008	358.75	364.50	356.50	364.00	+4.00

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

CBOT corn futures settled up Friday. December Corn finished up 3 cents at \$348 per bushel; this was .5 off the high and 6.5 up from the low. September Corn closed up 3.25 cents at \$331 per bushel. This was 6 up from the low and 0.5 off the high. The weekend rainfall and the forecast of more rainfall eased the corn sentiment. However, the prices recovered thereafter on the talk of Pro Farmer Midwest tour and the weekly crop report showed deteriorating crops in the south helped spark the prices and settled in a five day high. Israel is tendering to buy 53,000 tonnes of US corn. Futures were on the defensive for most of the day, succumbing to early spill over weakness from wheat and soybeans, as the market viewed rainy Midwest conditions making any aggressive impact of corn yield at this point. ZAMBIA is likely to supply maize to all Southern African Development Community (SADC) countries with food deficits.

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FUTURES MARKETS:

Maize futures at NCDEX traded lower following a steady to weak opening. The most active September contract slid down on increased selling pressure at higher levels. The contract opens lower at Rs.728/qtl and traded in the range of Rs.725.729/qtl. Finally, the contract settled in red by 0.60% at Rs.725/qtl. The Volumes down significantly while Open Interests have increased marginally.

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 7.14 million hectares so far as on 17.08.07 as against 6.77 million hectares year ago period
- Outbreak of bird flu in India has reduced the maize demand

TECHNICALS:

A dark candle has formed on the chart showing selling pressure. All the indicators are showing weak sentiments. Prices closed below the 9 and 18 days EMA. MACD is falling in the negative region. The RSI and Stochastic remain oversold, and not showing any recovery indication. The market is likely to trade weaker following a steady to weak opening.

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

Month	S2	S1	PCP	R1	R2
September	718	716	725	729	731

RECOMMENDATION:

SELL NCDEX - September below 726 with target towards 720. Put stop loss near 729.

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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