

## ■ MAIZE

■ August 2, 2007

**Domestic Market Recap**

Maize prices remained mostly flat on lower buying support amidst steady arrivals. Bihar maize traded at Rs.820/qrtl in Delhi mandis on the arrivals around 2 motors. Hybrid maize arrivals though in small amount have started from U.P. mandis. Bajra prices quoted lower around 680-385/qrtl. on higher arrivals around 6 motors from U.P. The out break of bird flu in some parts of north eastern India such as Manipur and Nagaland has limited the overseas as well as domestic demand. Bihar mandis remained mostly quiet on widespread of rainfalls and prevailing flood situation. The export demand from Bangladesh is lower at present. Area under kharif maize has increased to 64.55 lakh hectares so far as on 27.07.07 as against 60.42 lakh hectares during the corresponding period of last year. Kharif maize production at Davanagere is likely to be higher around 10 lakh tonnes this year as against around 4 lakh tonnes produced in the last year due to higher acreage under the crop. Many farmers of the region have diversified from their traditional kharif paddy crops towards maize because of lower water availability this time.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		01.08.07	31.07.07		
Delhi (ex-godown)	Red Maize Bihar	820	820	-	2 motors
Nizamabad (Bilty)	Red Maize	720-725	720-725	-	
Devengere (Bilty)	Red Maize	710	710	-	
Naugachia, Bihar (Loose)	Red Maize	700-705	700-705	-	100 bags
Ahmedabad	Poultry feed mills	840-850	840-850	-	5000 bags
Ahmedabad	Starch	840	840	-	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	840	840	-	

**International Futures Quotes (as of July 31, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	324.50	326.50	321.75	325.75	+2.25
December 2007	341.00	342.75	338.00	342.25	+2.25
March 2008	356.50	358.00	353.50	357.50	+2.25

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

CBOT corn futures closed higher Tuesday. December Corn finished up 2.25 cents at \$3.423 per bushel; this was 0.5 off the high and 4.25 up from the low. September Corn closed up 2.25 cents at \$3.258 per bushel. This was 4 up from the low and 0.75 off the high. Declining crop conditions in the weekly update and some concerns with corn filling out properly in the hot and dry forecast of the next week helped spark some early buying support. The weekly corn conditions report showed 58% was rated good/excellent compared to 62% last week and 56% last year. Traders are beginning to focus on the western Minnesota and eastern South Dakota region, which has little rain in the past month. Minnesota crop conditions slipped to just 30% good to excellent from 40% last week.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded down following a mix opening. The most active August contract traded down on increased selling pressure following a firm opening at Rs.777/ctl. and traded in the range of Rs.772.5-777/ctl. Finally, the contract settled in red at Rs.774/ctl. The volumes as well as Open Interest have declined during the session.

**PRICE DRIVERS:****Bullish:**

- Lower arrivals amidst some demand from starch and 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 64.55 lakh hectares so far as on 27.07.07 as compared to 60.42 lakh hectares year ago period
- Outbreak of bird flu in India has reduced the maize demand

**TECHNICALS:**

A bearish candle has formed, indicating bears domination in the markets. Price closed below the EMAs, indicating medium term weakness may continue. RSI and MACD continued to be weak, favouring the bears. Only stochastic is showing some recovery from previous weakness. Maize futures are likely to trade lower after a steady to weak opening.

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

Month	S2	S1	PCP	R1	R2
August	767	769	774	777	779

**RECOMMENDATION:**

**SELL NCDEX** - August below 775 with target towards 769. Put stop loss near 778.

**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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