

■ MAIZE

■ August 13, 2007

Domestic Market Recap

Maize prices continued to be weak in major domestic markets on lower buying support. Bihar maize traded flat at Rs.815/qtl in Delhi mandis on lower demand from Haryana poultry units amidst lower arrivals of 3 motors from Bihar. Hybrid maize arrivals decreased to 2 motors from U.P. mandis and quoted at Rs.790/ qtl. Maize traded down at Rs.680/qtl for good quality crop in Naugachia mandi of Bihar on steady arrivals of around 400 bags. Demand from Kolkata and Dalkhola mandis remained subdued on poor quality factor. No export in Bangladesh and Bhutan is reported. According to trade sources around 5% of stock has been damaged in the state due to prevailing flood situation. However stock is good in the state and arrivals likely to be increased after the state recover from flood situation. Kharif maize production is likely to be up this year. 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. However, stock position in exchange warehouses is reportedly lower. On August 10, stocks in NCDEX warehouses remained at 685 MT as compared to last week's stock of 694 MT.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		11.08.07	10.08.07		
Delhi (ex-godown)	Red Maize Bihar	815	815	-	3 motors
Nizamabad (Bilty)	Red Maize	730	735	-	
Davangere (Bilty)	Red Maize	725	730	-5	
Naugachia, Bihar (Loose)	Red Maize	680	700	-10	400 bags
Ahmedabad	Poultry feed mills	805	805	-	5000 bags
Ahmedabad	Starch	800	800	-	
Pune	Starch Quality	790	800	-10	
Pune	Sangli truck Bilty	770	770	-	

International Futures Quotes (as of August 10, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	333.00	337.00	324.75	333.00	+0.75
December 2007	346.00	353.50	341.25	350.50	+1.75
March 2008	361.00	368.50	356.50	365.75	+1.25

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

CBOT corn settled up Friday. December Corn finished up 1.75 cent at \$3.505 per bushel; this was 3 off the high and 9.25 up from the low. September Corn closed up 0.75 cents at \$3.33 per bushel. This was 8.25 up from the low and 4 off the high. Tightening world supply, better than expected demand numbers for the world report and ideas that the corn market will need to move higher in order to hold on to planted acres for next year were seen as supportive factors. The USDA pegged corn production at 13.054 billion bushels as compared with the average trade estimate at 12.886 billion bushels (range 12.64-13.2) and compared with the July USDA estimate of 12.84 billion bushels. US ending stocks for the 2007/2008 season were adjusted to 1.516 billion bushels from trade expectations at 1.463 billion bushels

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FUTURES MARKETS:

Maize futures at NCDEX traded lower following a mix opening. The most active September contract traded up initially. However increased selling pressure at higher level capped the early gains and traded down wards thereafter. The contract opens lower at Rs.744/qtl. and traded in the range of Rs.744-747/qtl. Finally, the contract settled in red at day's low by 0.20% at Rs.744/qtl. The volumes have declined whereas open interest have increased during the session.

PRICE DRIVERS:**Bullish:**

- Lower arrivals amidst some demand from starch 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 grave stone doji has formed in the chart, indicating bears dominated the market at higher level. The EMAs and MACD remain medium-term bearish. Stochastic is showing signs of emerging from oversold condition; RSI is looking weak in normal region. The market likely to trade bearish following a steady to weak opening.

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

Month	S2	S1	PCP	R1	R2
September	740	742	744	750	754

RECOMMENDATION:

SELL NCDEX - September below 747 with target towards 742. Second target near 740. Put stop loss near 750.

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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