

## ■ MAIZE

■ August 9, 2007

**Domestic Market Recap**

Bihar maize traded down between Rs.820-825/qtl in Delhi mandis on subdued demand amidst steady arrivals around 4 motors from Bihar. Hybrid maize arrivals are remained around 5 motors from U.P. mandis and quoted at Rs.805/ qtl. However, higher moisture content of the crop has limited the demand. Maize traded marginally down at Rs.700/qtl for good quality crop in Naugachia mandi of Bihar on higher arrivals around 400 bags. The lower quality crop is quoted between Rs.600-650/qtl. According to trade sources around 5% of the stock has been damaged in the state due to prevailing flood situation. Demand from Kolkata and Dalkhola is supporting the sentiments. The export demand from Bangladesh is yet to pick up. Ahmedabad mandis witnessed weak tones on maize prices on good arrivals around 5000 bags from Karnataka and Maharastra mandis amidst lower demand from poultry industries. However, some demand is reported from starch industries. On August 07, stocks in NCDEX warehouses decline to 685 MT as against last week stocks of 694 MT. Majority of the stocks are reported from Karimangar ware house and very little quantity is reported from Davangere warehouses.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		08.08.07	07.08.07		
Delhi (ex-godown)	Red Maize Bihar	820-825	825-826	-1	4 motors
Nizamabad (Bilty)	Red Maize	735	735	-	
Davangere (Bilty)	Red Maize	730	725	+5	
Naugachia, Bihar (Loose)	Red Maize	700	700-705	-5	400 bags
Ahmedabad	Poultry feed mills	810-815	820-830	-15	5000 bags
Ahmedabad	Starch	800	810	-10	
Pune	Starch Quality	800	800	-	
Pune	Sangli truck Bilty	770	770	-	

**International Futures Quotes (as of August 07, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	325.50	330.00	322.25	326.50	+2.50
December 2007	343.00	346.00	338.50	343.00	+1.75
March 2008	359.00	361.00	355.50	358.75	+2.50

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

CBOT corn futures settled up Tuesday. December Corn finished up 9 cents at \$3.52 per bushel; this was 1/2 off the high and 12 up from the low. September Corn closed up 9.5 cents at \$3.353 per bushel. This was 11.75 up from the low and 0.25 off the high. Ideas that the rain in the forecast is for the same areas which recently received rain and that the southern Midwest may need to go through a period of another week without rain and with high temperatures helped support the tone. The weekly corn conditions report showed 56% was rated good/excellent compared to 58% last week and 57% last year. The 10 year average for this time of year is 62%.

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**FUTURES MARKETS:**

Maize futures at NCDEX traded lower following a lower opening. The most active September contract traded down on increased selling pressure at higher level following a weak opening at Rs.740/qtl. and traded in the range of Rs.737-741/qtl. Finally, the contract settled in red by 0.61% at Rs.738.5/qtl. The volumes have declined whereas open interest have increased 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 6.68 million hectares so far as on 03.08.07 as against 6.15 million hectares year ago period
- Outbreak of bird flu in India has reduced the maize demand

**TECHNICALS:**

A small bodied dark candlestick with both shadows has formed, showing some indecision in the market. However, prices have fallen well below the EMAs and MACD continues to slump in negative zone, indicating medium-term weakness may continue. Stochastic and RSI have fallen further into oversold region. Maize futures are likely to trade bearish after a steady to weak opening.

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

Month	S2	S1	PCP	R1	R2
September	730	732	738.5	746	748

**RECOMMENDATION:**

**SELL NCDEX** - September below 741 with target towards 735. Second target near 732. Put stop loss near 744.

**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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