

■ MAIZE

■ Sept. 01, 2007

Domestic Market Recap

Maize spot prices in most of the markets traded steady to mostly down on a lower buying against normal supply. Maize market also got the support for the downward movement from arrival of fresh crops in Andhra Pradesh. Red maize in Delhi mandis traded down at Rs.850/qrtl on healthy arrivals from Andhra Pradesh against lower offtake whereas hybrid maize quoted slightly down at Rs.790/qrtl on a steady arrival of 4-5 motors. Prices at Nizamabad (Bilty) and Davangere (Bilty) traded steady on a normal demand-supply situation. The maize (loose) prices at Naugachia, Bihar traded steady at Rs.720/qrtl against the arrival of 2 motors and the maize at Kolkata quoted steady at Rs.840 due to the tight arrivals. Ahmedabad Poltry feed mills, starch and Pune Starch quality traded down on a subdued demand whereas Pune Sangli truck Bilty quoted steady. Majority of the markets received increased arrivals as farmers and stockist started offloading the stuffs in the fear of further decline of price. In the global markets, corn prices also slashed down against news of harvesting of crops in the US and high yield per acre. Bajra quoted steady at Rs.670/qrtl at Delhi on a steady supply-demand situation.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		31.08.07	30.08.07		
Delhi (ex-godown)	Red Maize Bihar	850	861	-11	10 qtl
Nizamabad (Bilty)	Red Maize	685-690	690	-	100 bags
Davangere (Bilty)	Red Maize	630	630	-	
Naugachia, Bihar (Loose)	Red Maize	720	720	-	200 bags
Ahmedabad	Poultry feed mills	755-765	770	-5	2-3 qtl
Ahmedabad	Starch	745	750	-5	
Pune	Starch Quality	740	750	-10	1500 bags
Pune	Sangli truck Bilty	725	725	-	

International Futures Quotes (as of August 30, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	322.75	331.00	316.00	322.75	-
December 2007	339.75	348.00	332.50	339.75	-0.50
March 2008	356.50	364.25	349.25	356.00	-1.00

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

CBOT corn futures settled down Thursday. December Corn finished down .5 cents at \$339.75 per bushel; this was 8.25 off the high and 1.5 up from the low. March Corn closed down 1 cents at \$356 per bushel. This was 1.5 up from the low and 7.25 off the high. The market-opened firm with export sales figure whereas closed lower despite the firm sentiments of wheat and soybean. Trading was two-sided and choppy with corn rallying to its highs after spot month CBOT Sep wheat traded 32 cents above Wednesday's settlement price as price limits in the spot month are removed on first position day. However, wheat was unable to hold at the day's highs and selling emerged in corn with the market retracing its gains. However, the cumulative sales for the new crop have now reached 22.2% of the USDA forecast, as compared to 11.2% on average over the last five years, and sales of 797,800 metric tonnes per week are now needed to reach the USDA estimate. International Grains Council's said maize output in the current year is likely to be around 755 million tonnes, up 8.5 per cent on year due to higher production expected in the US.

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FUTURES MARKETS:

Maize futures at NCDEX traded firm Friday. The Maize futures opened weak at Rs.700/qtl against the previous close of Rs.701.50/qtl and traded down initially testing a low of Rs.695.5/qtl. However, prices recovered thereafter on increased buying interest at lower level and tested the high of Rs.705/qtl. The prices settled at its high of Rs.705/qtl, up of Rs.3.50/qtl from the previous close. The most active September contract traded in the range of Rs.695.50-705/qtl. Both the Volume as well as open interest decreased.

PRICE DRIVERS:**Bullish:**

- Lower stocks in exchange warehouse

Bearish:

- Expected larger crops than the last year
- Acreage under kharif maize crops was up at 7.3 million hectares against 6.9 million hectares from April 1 to August 24, a year ago during the same period.
- Subdued Export activities
- Harvesting in US shows output may increase pre-harvesting estimation

TECHNICALS:

A bullish candlestick with long lower shadow has formed indicating some buying interest at lower level. MACD and EMAs are remained medium term bearish. Stochastic is dipping into the oversold region whereas RSI has made an upward movement in neutral region. Maize is expected to trade down with possibility of steady to slightly firm opening.

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

Month	S2	S1	PCP	R1	R2
September	693	696	705	713	716

RECOMMENDATION:

SELL NCDEX - September below 707 with target 703, then 700. Put stop loss near 709.

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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