

## ■ MAIZE

■ August 21, 2007

**Domestic Market Recap**

During Monday's trade, Maize spot prices continued to be traded steady to slightly up in majority of the domestic markets on good demand against restricted supply. Prevailing flood situation has restricted the market activities and arrivals declined steadily. There is no good rake demand from the south India. In Delhi mandis, Bihar maize traded up at Rs.830/qtl and arrival stood at 3-4 motors. Hybrid maize arrivals from U.P. continued to be steady and stood around 4-5 motors and quoted up at Rs.800/qtl. Pune starch quality and sangli truck bilty traded lower at Rs.790/qtl and Rs.750/qtl respectively as good arrivals outpaced normal demand from the locals. Kharif maize acreage has increased to 7.14 million hectares so far as on August 17 as against 6.77 million hectares during previous year. Good rainfall and satisfactory progress of sowing has increased the outlook of a good production this year.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qtl)		Change	Arrivals
		20.08.07	18.08.07		
Delhi (ex-godown)	Red Maize Bihar	830	820	+10	3-4 motors
Nizamabad (Bilty)	Red Maize	710	725	-15	
Davangere (Bilty)	Red Maize	710	725	-15	
Naugachia, Bihar (Loose)	Red Maize	710-715	710	+5	100 bags
Ahmedabad	Poultry feed mills	830	810	+20	4000 bags
Ahmedabad	Starch	810	810	-	
Pune	Starch Quality	790	800	-10	200 bags
Pune	Sangli truck Bilty	750	760	-10	

**International Futures Quotes (as of August 17, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	320.00	329.50	317.25	328.50	+7.00
December 2007	338.00	346.25	334.00	345.75	+6.75
March 2008	353.50	361.00	349.50	360.00	+5.75

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

CBOT corn futures settled up Friday. December Corn finished up 6.75 cents at \$3.458 per bushel; this was 0.25 off the high and 9.5 up from the low. September Corn closed up 7 cents at \$3.285 per bushel. This was 8.75 up from the low and 0.5 off the high. The weekend weather as bearish as the northern half of the Corn Belt looks to receive 1-3 inches of rain to help the crop fill. Argentina officials projected 2007/2008 planted area for corn at 3.9 million hectares, up 10% from last year. Uncertainty on the extent of rain for the southern Midwest helped provide some underlying support into the mid-session and late in the day short-covering and solid gains in soybeans sparked the strong close.

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### FUTURES MARKETS:

Maize futures at NCDEX traded lower following a weak opening. The most active September contract slid down on increased selling pressure at higher levels. The contract opens lower at Rs.732.5/qtl. and traded in the range of Rs.727.5-735/qtl. Finally, the contract settled in red by 0.95% at Rs.728/qtl.

### 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 with upper shadow shows bears domination in the markets. New lows are being made everyday, which is a bearish indication. EMAs & MACD remain medium-term bearish. The RSI and Stochastic remain oversold and showing no sign of recovery. 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	720	724	728	735	738

### RECOMMENDATION:

**SELL NCDEX** - September below 730 with target towards 724. Put stop loss near 734.

**Do not carry forward the position until the next day.**

### Weather Impact Analysis

While South India features normal to better weak phase of monsoon, which is not favourable

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