

■ MAIZE

■ August 10, 2007

Domestic Market Recap

Maize prices remained subdued in major domestic markets. Area under kharif maize has increased to 6.68 m ha as on 03.08.07 versus 6.15 m ha during same time last year. The total area under maize has surpassed normal acreage. Higher acreage has been seen in Karnataka, A.P., Maharastra, Rajasthan and Chattisgarh. The area under maize cultivation stood higher by 30 per cent at 596,941 hectares in Maharastra. The acreage has also been increased significantly at 56,800 ha in Shimoga district of Karnataka. Maize acreage is also seen higher in Davangere. Bihar maize traded down between Rs.815-820/qtl in Delhi mandis on lower demand from Haryana poultry units amidst steady arrivals of around 4 motors from Bihar. Hybrid maize arrivals decreased to 3 motors from U.P. mandis and quoted at Rs.800/ qtl. 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
		09.08.07	08.08.07		
Delhi (ex-godown)	Red Maize Bihar	815-820	820-825	-5	4 motors
Nizamabad (Bilty)	Red Maize	735	735	-	
Davangere (Bilty)	Red Maize	730	730	-	
Naugachia, Bihar (Loose)	Red Maize	700	700	-	400 bags
Ahmedabad	Poultry feed mills	810	810-815	-5	5000 bags
Ahmedabad	Starch	800	800	-	
Pune	Starch Quality	800	800	-	
Pune	Sangli truck Bilty	770	770	-	

International Futures Quotes (as of August 08, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	334.75	342.75	333.25	341.00	+5.75
December 2007	351.75	359.50	349.75	358.00	+6.00
March 2008	366.75	374.75	365.25	373.50	+6.00

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

CBOT Corn futures settled up Wednesday. December Corn finished up 6 cents. More rain overnight in Iowa and northern Illinois helped spark the early weakness but 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 bounce. The rally attracted buy-stops over last week's highs which pushed December corn to the highest level since July 16th. 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 higher following a mix opening. The most active September contract traded up on increased buying support following a firm opening at Rs.740.5/qtl. and traded in the range of Rs.740.5-747/qtl. Finally, the contract settled in green by 0.68% 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 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 hollow candle with long upper shadow has formed, reflecting selling pressure is still existing in the market at higher level. Prices closed well below the EMAs and MACD continues to slump in negative zone, indicating medium-term weakness may continue. Stochastic made bullish crossover in oversold zone, RSI is turning up in normal zone, favouring bulls. Maize futures are likely to trade range bound with firm inclination.

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

Month	S2	S1	PCP	R1	R2
September	735	739	744	751	754

RECOMMENDATION:

BUY NCDEX - September above 742 with target towards 748. Second target near 751. Put stop loss near 739.

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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