

■ MAIZE

■ August 8, 2007

Domestic Market Recap

Bihar maize traded flat at Rs.826/qrtl in Delhi mandis on some demand from Haryana poultry units amidst flat arrivals around 4 motors from Bihar. Hybrid maize arrivals are increasing to 5 motors from U.P. mandis and quoted at Rs.810/ qtl. Maize traded marginally up at Rs.705/qrtl in naugachia mandi of Bihar on lower arrivals around 80 bags. According to trade sources around 5% of the stock has been damaged in the state due to prevailing flood situation. Demand from Kolkata is supporting the prices. The export demand from Bangladesh remained subdued. Pune mandis witnessed weak tones on maize prices on good arrivals now a day. The demand remained lower and this is mainly pressurising the tone. Area under kharif maize has increased to 6.68 million hectares so far as on 03.08.07 as against 6.15 million hectares during last year. The total area under maize this time has surpassed the normal area.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		07.08.07	06.08.07		
Delhi (ex-godown)	Red Maize Bihar	825-826	825-826	-	4 motors
Nizamabad (Bilty)	Red Maize	735	730-735	-	
Devengere (Bilty)	Red Maize	725	720-725	-	
Naugachia, Bihar (Loose)	Red Maize	700-705	700	+5	80 bags
Ahmedabad	Poultry feed mills	820-830	820-830	-	5000 bags
Ahmedabad	Starch	810	820	-	
Pune	Starch Quality	800	800	-	
Pune	Sangli truck Bilty	770	780	-10	

International Futures Quotes (as of August 03, 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 Friday. December Corn finished up 1.75 cents at \$3.43 per bushel; this was 3 off the high and 4.5 up from the low. September Corn closed up 2.5 at \$3.265 per bushel. This was 4.25 up from the low and 3.50 off the high. Ideas that feed demand should remain strong out of Europe due to crop problems in southeast Europe and uncertain weather into mid-August in the US helped support. The market followed soybeans higher early in the session with talk of stressful weather for some of the Corn Belt ahead helping to support. However, reports of high yield potential due to excellent pollination weather and ideas that the USDA will raise their forecast for the August 10th production report helped spark choppy and two-sided trade into the mid-session.

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FUTURES MARKETS:

Maize futures at NCDEX traded lower following a mix opening. The most active September contract traded down on increased selling pressure at higher level following a firm opening at Rs.751/qtl. and traded in the range of Rs.740.5-752.5/qtl. Finally, the contract settled in red by 1.27% at Rs.740.5/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 long bodied dark candle has formed on the charts, showing strong selling pressure in the market. 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 deeper into oversold region, indicating strength of the sellers. 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	734	740.5	746	748

RECOMMENDATION:

SELL NCDEX - September below 742 with target towards 736. Second target near 733. Put stop loss near 745.

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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