

■ MAIZE

■ August 11, 2007

Domestic Market Recap

Maize prices remained subdued in major domestic markets on lower buying support. The export demand from Bangladesh continued to be lower. Bihar maize traded lower at Rs.815/qrtl 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/ qrtl. Maize traded marginally down at Rs.700/qrtl for good quality crop in Naugachia mandi of Bihar on higher arrivals of around 400 bags. The lower quality crop is quoted between Rs.600-650/qrtl. According to trade sources around 5% of stock has been damaged in the state due to prevailing flood situation. Ahmedabad mandis featured weak tone on good arrivals of around 5000 bags from Karnataka and Maharashtra mandis amidst lower demand from poultry industries. The demand from poultry industry of Tamilnadu is also remained weak. The acreage is also higher in Andhra Pradesh (over 5.11 lakh hectares so far). Sowing operations would continue this month also. The farmers of Andhra Pradesh are optimistic to achieve the government fixed production target for the state of 21.77 lakh tonnes for kharif maize.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		10.08.07	09.08.07		
Delhi (ex-godown)	Red Maize Bihar	815	815-820	-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	805	810	-5	5000 bags
Ahmedabad	Starch	800	800	-	
Pune	Starch Quality	800	800	-	
Pune	Sangli truck Bilty	770	770	-	

International Futures Quotes (as of August 09, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	342.50	343.00	331.25	332.25	-8.75
December 2007	360.00	360.00	348.00	348.75	-9.25
March 2008	374.00	374.00	363.50	364.50	-9.00

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

December Corn finished down Thursday 9.25 cents at \$3.487 per bushel, this was 11.25 off the high and 0.75 up from the low. September Corn closed down 8.75 cents at \$3.323 per bushel. This was 1 up from the low and 10.75 off the high. Weakness in other commodity markets along with uncertainty on the "hot and dry" dome forecast for the Midwest for next week helped trigger the set-back into the mid-session. Funds were noted sellers of near 4,000 contracts into the mid-session and late selling in wheat added to the bearish tone late in the day. Weekly US export sales for corn came in at 1.336 million metric tonnes as compared to trade expectations between 700,000-1.1 million. Cumulative sales have reached 15.7% of the USDA forecast as compared to 6.0% on average over the last five years.

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FUTURES MARKETS:

Maize futures at NCDEX traded higher following a lower opening. The most active September contract traded up on increased buying support following a weak opening at Rs.743/qtl. and traded in the range of Rs.743-747/qtl. Finally, the contract settled in green by 0.40% at Rs.747/qtl. The volumes have declined whereas open interest have increased during the session.

PRICE DRIVERS:**Bullish:**

- Lower arrivals amidst some demand from starch 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 bullish marubozu has formed, reflecting steady buying interest in the market. However, prices closed below the EMAs and MACD continues to slump in negative zone, indicating medium-term weakness in the market. Stochastic made bullish crossover in oversold zone, RSI is turning up in normal zone, favouring bulls. Maize futures are likely to trade bullish following a firm opening.

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

Month	S2	S1	PCP	R1	R2
September	740	742	747	754	757

RECOMMENDATION:

BUY NCDEX - September above 745 with target towards 751. Second target near 753. Put stop loss near 742.

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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