

## ■ MAIZE

■ August 20, 2007

**Domestic Market Recap**

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. Maize sentiments continued to be steady to marginally down in major domestic markets on lower demand. However, stock position in exchange warehouses is reportedly lower. Prevailing flood situation in Bihar has limited market activities. The lower export demand from Bangladesh and Bhutan has also pressuring the sentiments in Bihar and west Bengal. The Bihar maize traded flat at Rs.820/qrtl in Delhi mandis amidst steady arrivals of 4 motors from Bihar. Hybrid maize arrivals around 4-5 motors are reported from U.P. However, lower demand because of lower quality has surpassed the market. Hybrid maize quoted around Rs.790/qrtl. Lower prices of bajra are also underpinning the tone.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		18.08.07	17.08.07		
Delhi (ex-godown)	Red Maize Bihar	820	820	-	4 motors
Nizamabad (Bilty)	Red Maize	725	730	-5	
Davangere (Bilty)	Red Maize	725	730	-5	
Naugachia, Bihar (Loose)	Red Maize	710	710	-	200 bags
Ahmedabad	Poultry feed mills	810	820	-10	4000 bags
Ahmedabad	Starch	810	820	-10	
Pune	Starch Quality	800	800	-	
Pune	Sangli truck Bilty	760	760	-	

**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 steady to weak opening. The most active September contract slid down on increased selling pressure at higher levels. The contract opens lower at Rs.735/qtl. and traded in the range of Rs.731.5-739/qtl. Finally, the contract settled in red by 0.54% at Rs.732.5/qtl. The Volumes as well as Open Interests have increased during the session.

**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 long upper shadow has formed on the chart. The Volumes as well as Open Interests have increased in downtrend. All the indicators are showing weak sentiments. The EMAs & MACD remain medium-term bearish. The RSI and Stochastic remain oversold, and not showing any recovery indication. 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	725	729	732.5	738	742

**RECOMMENDATION:**

**SELL NCDEX** - September below 735 with target towards 729. Put stop loss near 738.

**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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