

■ MAIZE

■ August 3, 2007

Domestic Market Recap

Maize prices remained steady to down in major domestic markets. Bihar maize traded flat at Rs.820/qrtl in Delhi mandis on the arrivals around 2 motors. Hybrid maize arrivals though in small amount have started from U.P. mandis. Bajra prices quoted lower around 680-385/qrtl. on higher arrivals around 6 motors from U.P. Bihar mandis remained mostly quiet on widespread of rainfalls and prevailing flood situation. Bhutan has halted the import of poultry from India following the outbreak of bird flu in north eastern parts of India such as Manipur and Nagaland. The import ban from Bhutan will no doubt hamper the poultry trade of West Bengal. Nearly 1,500 tonnes of poultry from India enters Bhutan annually. The weak poultry trading activities of West Bengal is weakening the demand of maize. The export demand from Bangladesh is also lower at present. Kharif maize production at Davanagere is likely to be higher around 10 lakh tonnes this year as against around 4 lakh tonnes produced in the last year due to higher acreage under the crop. The total acreage has also increased to 64.55 lakh hectares so far as on 27.07.07 as against 60.42 lakh hectares during the corresponding period of last year.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals
		02.08.07	01.08.07		
Delhi (ex-godown)	Red Maize Bihar	820	820	-	2 motors
Nizamabad (Bilty)	Red Maize	720-725	720-725	-	
Devengere (Bilty)	Red Maize	710	710	-	
Naugachia, Bihar (Loose)	Red Maize	700	700-705	-5	100 bags
Ahmedabad	Poultry feed mills	830-840	840-850	-10	5000 bags
Ahmedabad	Starch	830-840	840	-	
Pune	Starch Quality	850	850	-	
Pune	Sangli truck Bilty	840	840	-	

International Futures Quotes (as of August 01, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	326.25	327.75	317.00	319.00	-6.75
December 2007	342.50	344.25	333.25	336.00	-6.25
March 2008	356.75	359.50	349.25	351.25	-6.25

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

CBOT corn futures finished down Wednesday. December Corn finished down 6.25 cents at \$3.36 per bushel; this was 8.25 off the high and 3 up from the low. September Corn closed down 6.75 per cents at \$3.19 per bushel. This was 2 up from the low and 8.75 off the high. Ideas that hot and mostly dry weather in the Midwest for the next week may only have a minor impact on final yield as long as parts of Minnesota and South Dakota receive some rain into the weekend helped spark the selling while weakness in a wide range of other commodity markets added to the long liquidation trend. The Philippines are tendering for 200,000 tonnes of corn due to poor weather.

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FUTURES MARKETS:

Maize futures at NCDEX traded up following a steady to weak opening. The most active August contract traded up on increased buying support at lower level following a weak opening at Rs.772.5/qtl. and traded in the range of Rs.770-774.5/qtl. Finally, the contract settled in green at Rs.774.5/qtl. The volumes have increased whereas Open Interest have declined 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 64.55 lakh hectares so far as on 27.07.07 as compared to 60.42 lakh hectares year ago period
- Outbreak of bird flu in India has reduced the maize demand

TECHNICALS:

A bullish candle with long lower shadow has formed, indicating bulls' domination at the lower levels. However, price closed below the EMAs, indicating medium term weakness. Stochastic and RSI are turning up in normal region, favouring the bulls. MACD remained weak in negative zone. Maize futures are likely to trade lower after a steady to firm opening.

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

Month	S2	S1	PCP	R1	R2
August	770	772	774.5	781	783

RECOMMENDATION:

BUY NCDEX - August above 775 with target towards 781. Put stop loss near 772.

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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