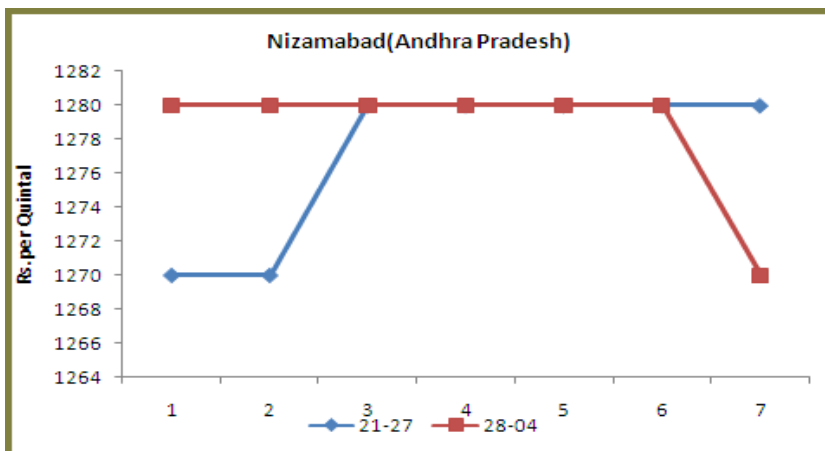


Domestic Market Recap

Price at Nizamabad Market of Andhra Pradesh declined marginally by 0.78% in the week ended July 04 as compared to marginal gains of 0.79% recorded in the prior week. The spot price in Andhra Pradesh hovers around Rs.1270 per quintal. A lot of buyers who are carrying larger stock with them stopped their purchases expecting the prices to come down further, which directed the fall in the prices.



Arrivals in Major Market hover at lower levels due to lean season and also due to the recent impact of rains

- **The export market continues to remain subdued as Indian corn is out of parity.** In fact the prices need to drop at least Rs.500 PMT more before the Indian exports can start offering to Malaysian or other South East Asian markets.
- **Pakistan corn was available at USD 310 PMT CFR and even upto USD 308 CFR to South East Asian ports.** According to US Grain Council (USGC), India's Maize exports were over 2.5 million tons in the Year starting October 2010-Until June 2011.

Prevailing FOB Prices Origin wise

Origin	FOB Price
India	319-320
Argentina	294-298
US	302-306
Pakistan	308-310
Ukraine	300-305
Brazil	290-300
*Prices in USD/MT	

- **Uncertainty in distribution of rains mostly paused the sowing activities in the southern states of the country while the sown crop which are in germination to vegetative stage are requires immediate rains.** With the targeted 8.39 million more hectares planting expectation by government for Kharif 2011, production is expected to reach 17.52 million

tones if other factor remains favorable. Actual maize crop prospects will be determined by the distribution monsoon rains in July. Reportedly the demand from poultry feed millers are good and is supporting the prices.

Current Market Dynamics:

In Andhra Pradesh, reportedly, insufficiency of stocks remains a case while domestic demand from poultry (from places like Hyderabad, Karimnagar) remains high. While export demand continue to be weak on export disparity, the prior two factors are likely to render support to the prices, in addition to decline in arrivals which remains so due to rain spells.

Also, sowing progress remains a cause of concern as market forces suggest a decline in rains of about 10-15% in AP as on date as compared to same time last year. However, too early to say, market also has started to assume the adverse impact on the yields as rains remain disruptive at the sowing time.

In Bihar, reportedly sentiment remains lukewarm as market participant anticipate price to remain range bound. While excessive rains there have caused damage to the maize, corresponding demand from starch industry originating from places like Gujarat and Uttaranchal becomes a supportive factor. Conclusively the offsetting impact is likely to cap the prices in a formed range.

Weather:

Weekly Rainfall departure: As reported by IMD

Rainfall lags behind in major Maize growing states of Karnataka, Andhra Pradesh and Maharashtra, which covers about 31.17% of the total Maize Area with details of rainfall distribution given as below.

	% Departure as on 22- 06-2011	% Departure as on 29- 06-2011		% Departure as on 22- 06-2011	% Departure as on 29-06- 2011		% Departure as on 22- 06-2011	% Departure as on 29- 06-2011
Karnatka			Andhra Pradesh			Maharashtra		
Davangere	17%	41%	Guntur	-97%	-57%	Solapur	-76%	-73%
Haveri	28%	-14%	West Godavari	-74%	-78%	Ahmednagar	-99%	-76%
Belgaum	3%	4%	Karimnagar	-64%	-56%	Sangli	44%	-70%
Bellary	-79%	4%	Nizamabad	-56%	-79%	Pune	-23%	-41%
Chitradurga	-28%	18%	Krishna	-81%	-51%	Buldhana	-95%	-67%

Shimoga	-9%	69%	Khammam	-64%	-54%			
Bagalkot	-78%	-3%	Warangal	-69%	-60%			
Dharwad	18%	-5%						
Chamarajnagar	-3%	-23%						
Hassan	-48%	-42%						

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today (5 th July, 2011)	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1120	1100	1225	1000	500
Davangere	Bilty	1200	1210	1180	1255	975
Nizamabad	Bilty	-	1280	1180	1320	1025
Naugachia	Bilty	1000	1000	1010	1015	830
Kolkata	Mill	1150	1150	1180	1150	930
Ahmadabad	Feed	1240	1300	1250	1200	1090
	Starch	1280	1250	1245	1200	1090

Indicative Market Arrivals (in Tonnes)

Market	Grade	Today 5 th July 2011	Week Ago	Month Ago	2 Month Ago	Year Ago
Nizamabad	Bilty	-	-	300	800	800
Davangere	Bilty	200	250	200	-	-
Naugachia	Bilty	100	300	800	500	2000

Price Outlook:

Spot Price(Loose) at Karnataka:



- Maize prices, correct from highs, may find support at lower levels. 1050 on the lower side is an important support for the price.
- 1160 on the higher side is likely to act as a resistance for the price, going forward.
- Likely range bound move ahead in the week can be captured by being seller near resistance points until 1160 is broken on the higher side, while buying chance near above mentioned support also remain an alternate strategy, but the same requires confirmation.

Spot Price (Loose) at Andhra Pradesh:



- Maize price at Nizamabad market (A.P) face a short term correction, however medium term trend remains positive.
- 1150-1040 remains the likely trading range for the price; break in either direction is likely to take it further in the respective same.

Comparative Prices to Bear an Impact on Maize Demand:

(Price per Quintal at Delhi)				
	Maize	Wheat	Spread with Wheat	Spread (Week ended 27 June 2011)
27-Jun	1100	1170	-70	-60
28-Jun	1100	1175	-75	-55
29-Jun	1100	1178	-78	-45
30-Jun	1100	1180	-80	-45
1-Jul	1100	1190	-90	-40

2-Jul	1100	1200	-100	-35
3-Jul	1100	1185	-85	-35
4-Jul	1120	1185	-65	-70

- Price spread between Maize and Wheat remain negative, depicting attractiveness of Maize over Wheat, as seen on the demand front on week on week basis. This is likely to boost the demand for Maize in comparison to the later.

(Price per Quintal at Bijapur)

	Maize	Bajra	Spread with Bajra	Spread a week earlier
28-Jun-11	1145	1050	95	100
29-Jun-11	1090	1035	55	80
30-Jun-11	1175	1020	155	95
1-Jul-11	1175	1000	175	105
2-Jul-11	1175	1000	175	105
3-Jul-11	1175	1000	175	105

- Spread between Maize and Bajra prices remain wide but have started to ease of as on 04 July 2011. The same remained wider than the last week's spread level of Rs. 105 per quintal and is indicative that Lower Bajra prices may cause a shift of demand to the same as compared to Maize.

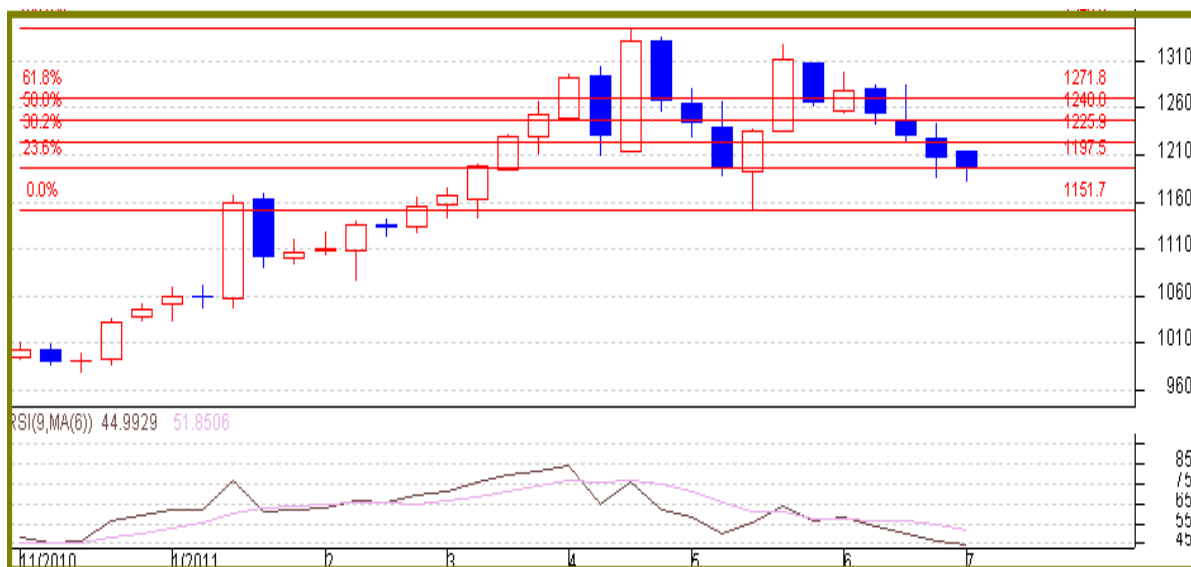
International Market Highlights:

- The global prices have been weakening in the futures market at CBOT in the wake of improved rains in US and despite of China coming v. aggressively to buy corn the future prices remained weak only. Last year China had bought about 1.8 million tons from USA and this year they have surpassed those levels already and the final purchase figure of Chinese imports is expected to close around 2.5 million tons. Meanwhile Malaysia is buying from Pakistan @ USD 308 - 310 PMT CFR Malaysian ports. Vietnam again practically no demand but small parcels reported @ USD 338 PMT CFR.
- There were signs, however, that buyers, particularly in Asia, were beginning to respond to a drop of about 20 percent from record prices in three weeks. Weather conditions in the U.S. will be keenly watched to reflect if this additional supply materializes. Market saw the decline as overdone, particularly as lower prices appeared to be reviving demand.

- CBOT Corn futures recoup from the lows, thereby trend gets ranged. More recovery may follow, but bulls to regain strength above 720 levels only.
- 660 is the first support on the lower side, while below that 640 will act as the same.
- 660-705 is the applicable range for the price, drift in either direction is likely to take it further in the respective same.



Futures Market Analysis: NCDEX Maize July Contract



- Maize short term price trend remains weak, price reach near significant support juncture, bounce back from around the same cannot be ruled out.
- 1180-1220 is the current trading range for the price.
- Positioning of RSI in the weekly chart still favor bears, which are likely to keep the charge until the above mentioned range is broken.
- Strategy: may remain sell at rise near 1210 with a stop loss of 1220 for a target of 1170. Keep in mind that nearness to supports makes, shorting high risk filled, and therefore alternate strategy to reverse the trade above 1220 can also be availed.

Maize NCDEX (July)

Support & Resistance				
S2	S1	PCP	R1	R2
1150	1180	1196	1214	1230

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