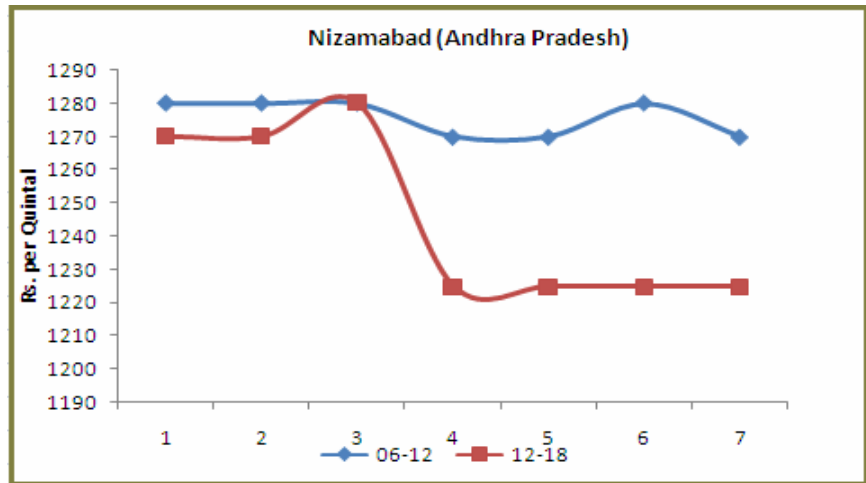


Domestic Market Recap

Maize price eased off in the spot market as Price at Nizamabad Market of Andhra Pradesh plunged by 3.5% in the week ended 18 July as compared to 0.78% in the prior week. Weakness is attributed to sluggish domestic and export demand, while sowing catches up in few Maize producing regions.

- A lot of bulk consumers stopped their purchases depending on the stocks they had purchased earlier. A majority of the starch Manufacturers fall in this category as starch is an industrial product where there are pricing constraints.
- In a development on the export front however, with the market dropping there was some parity as the Indian sellers were able to sell to Malaysia at USD 288 CFR and are able to match the Pakistan corn exporters.
- As per the latest estimates by Ministry of agriculture, India has produced 241.56 million tons of food grains during 2010-11, compared to 218.11 million tons in the previous year. Estimated production of Maize stands at record level of 21.28 million tons, which is significantly higher than the earlier record production of 19.73 million tons, achieved during 2008-09.



Current Market Dynamics:

In Andhra Pradesh: reportedly arrivals remain thin as sowing remain under progress, while off take from Poultry maintains from Places like Hyderabad. Stocks remain the source of supply, which hover at around 1.5 lakh tons in Nizamabad which remain sufficient to cater to the corresponding demand, until the new crop hits the market.

In Bihar, quality issue continue to prevail as good quality commodity get scarce while there is hardly any demand for the low quality maize. Excessive rains in the region remain the cause of the distortion. Export demand continues to remain reportedly weak. **In Karnataka:** reportedly demand from Poultry remains prevalent from places like Bangalore, Tamil Nadu.

Weather:

Weekly Rainfall departure: As reported by IMD

Rainfall remain deficient in most places in Karnataka and Andhra Pradesh, as depicted by the rain progress as on 13 July 2011 in comparison to previous week ending 06 July 2011

Karnatka	% Departure as on -06- 07-2011	% Departure as on -13- 07-2011	Andhra Pradesh	% Departure as on 06- 07-2011	% Departure as on 13-07- 2011	Maharashtra	% Departure as on -06- 07-2011	% Departure as on -13- 07-2011
Davangere	-4%	-72%	Guntur	89%	-31%	Solapur	173%	98%
Haveri	-51%	-48%	West Godavari	38%	-28%	Ahmednagar	26%	179%
Belgaum	-43%	-61%	Karimnagar	28%	-2%	Sangli	-46%	-68%
Bellary	108%	-33%	Nizamabad	15%	33%	Pune	-86%	-38%
Chitradurga	-19%	-72%	Krishna	72%	-17%	Buldhana	-69%	253%
Shimoga	-37%	-39%	Khammam	16%	-10%			
Bagalkot	278%	11%	Warangal	123%	-19%			
Dharwad	-45%	-44%						
Chamarajnagar	-12%	-84%						
Hassan	-39%	-76%						

(Area in Lakh hectares)			
State	Area Sown July 2011	Area sown July 2010	Y.O.Y Change
Andhra Pradesh 20 July	3.35	3.79	-11.60%
Karnataka as on (18 July)	7.53	6.47	+16.38%

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		(19 th July, 2011)				
Delhi	Hybrid	1100	1135	1150	1240	975
Davangere	Bilty	1200	1200	1250	1200	1040
Nizamabad	Bilty	1230	1270	1260	1110	1070

Naughachia	Bilty	975	1000	940	1030	880
Kolkata	Mill	1170	1150	1150	1200	1030
Ahmadabad	Feed	1260	1270	1280	1230	1140
	Starch	1220	1250	1250	-	1140

Indicative Market Arrivals (in Bags)

Market	Grade	Today Today 2011	Today 19 th July	Week Ago	Month Ago	2 Months Ago	Year Ago
Nizamabad	Bilty	-	-	-	200	600	1000
Davangere	Bilty	-	-	-	100	200	-
Naugachia	Bilty	300	300	100	1000	500	1000

One Bag= 100 kg

Spot Price (Loose) at Karnataka: Price Outlook



- Maize prices recoups higher in the spot market, trend gets ranged, although. More Recovery may happen but resistances may act still.

- 1100 on the lower side becomes important support for the price, while 1200 on the higher side is likely to act as a resistance for the price, going forward .
- 1100-1200 is the applicable trading range for the price; break in either direction is likely to take it further in the respective same.
- **Buying near supports is likely to remain a fruitful strategy until 1100 on the lower side prevail, while 1200 on the higher side is a caution level where bears might try to interrupt near the same, once it gets breached, bulls will be able to march ahead. Selling chance near the same level also remains alternate strategy but with strict stop loss of 1210.**

Comparative Prices to Bear an Impact on Maize Demand :

Date	Delhi Market			Spread with Wheat	Spread with Wheat in June 2011	Spread with Bajra	Spread with Bajra in June 2011
	Maize	Wheat	Bajra				
1-Jul-11	1100	1190	1000	-90	50	100	230
2-Jul-11	1100	1200	1000	-100	35	100	220
3-Jul-11	1100	1201	1000	-101	25	100	210
4-Jul-11	1120	1185	970	-65	35	150	215
5-Jul-11	1120	1190	980	-70	34	140	215
6-Jul-11	1120	1180	960	-60	55	160	235
7-Jul-11	1100	1185	950	-85	50	150	230
8-Jul-11	1100	1185	950	-85	40	150	245
9-Jul-11	1120	1180	950	-60	15	170	210
10-Jul-11	1120	1180	950	-60	10	170	200
11-Jul-11	1090	1181	930	-91	5	160	200
12-Jul-11	1135	1181	930	-46	4	205	200
13-Jul-11	1135	1192	935	-57	10	200	200
14-Jul-11	1135	1192	925	-57	15	210	160
15-Jul-11	1135	1190	925	-55	-10	210	150
16-Jul-11	1135	1195	925	-60	-20	210	130
17-Jul-11	1135	1190	925	-55	-10	210	130
18-Jul-11	1135	1197	925	-62	-45	210	110

- Price spread between Maize and Wheat continue to remain negative but the difference between the prices of the two reduces. Recovery in Maize price at Delhi centre in the week ending 18 July, cause the same.



- Price spread between Maize and Bajra, however continue to remain positive and wide, indicating attractiveness of Bajra over Maize. Spread in both the cases remain wider than the last month's level around the same time.
- As, a result, demand substitution prospects remain high for Maize as against wheat while Bajra remains a more attractive bet on the same from due to better affordability.

International Market Highlights:

- The global future corn prices rallied on news of adverse weather conditions expected in USA. The health of U.S. corn and soybean crops deteriorated more than expected last week as temperatures heated up in key growing areas and stunted development of late-planted fields. The U.S. Agriculture Department's weekly crop condition report showed that the U.S. corn crop was rated 66 percent good to excellent, down 3 percentage points from the previous week. The decline in corn ratings was the biggest weekly drop in three years. The average good -to-excellent rating for this time of year has been 65 percent over the past 10 years. USDA rated the crop 72 percent good to excellent in mid-July 2010.
- The later planted crop is really starting to show its wear without adequate moisture. A large portion of the corn crop never had enough time to develop deep roots, leaving the plants unable to access nitrogen farmers had applied to the fields.
- U.S. feed grain supplies for 2011/12 are projected higher this month mostly with higher expected beginning stocks and production for corn. Corn beginning stocks are raised 150million bushels reflecting changes to 2010/11 usage projections. Corn production for 2011/12 is projected 270 million bushels higher based on planted and harvested area as reported in the Acreage report. Feed and residual use for 2011/12 is raised 50 million bushels with larger supplies and lower expected prices. Corn use for ethanol is raised 100 million bushels with larger supplies and an improved outlook for ethanol producer margins. Exports are raised 100 million bushels mostly reflecting increased demand from China. Ending stocks for 2011/12 are projected 175 million bushels higher at 870 million. The 2011/12 season-average farm price for corn is projected at a record \$5.50 to\$6.50 per bushel, down 50 cents on both ends of the range.
- Total U.S. corn use for 2010/11 is projected 145 million bushels lower mostly reflecting the larger-than expected June 1 stocks estimate. Feed and residual use is lowered 150 million bushels. Ethanol use is raised 50 million bushels with larger supplies and

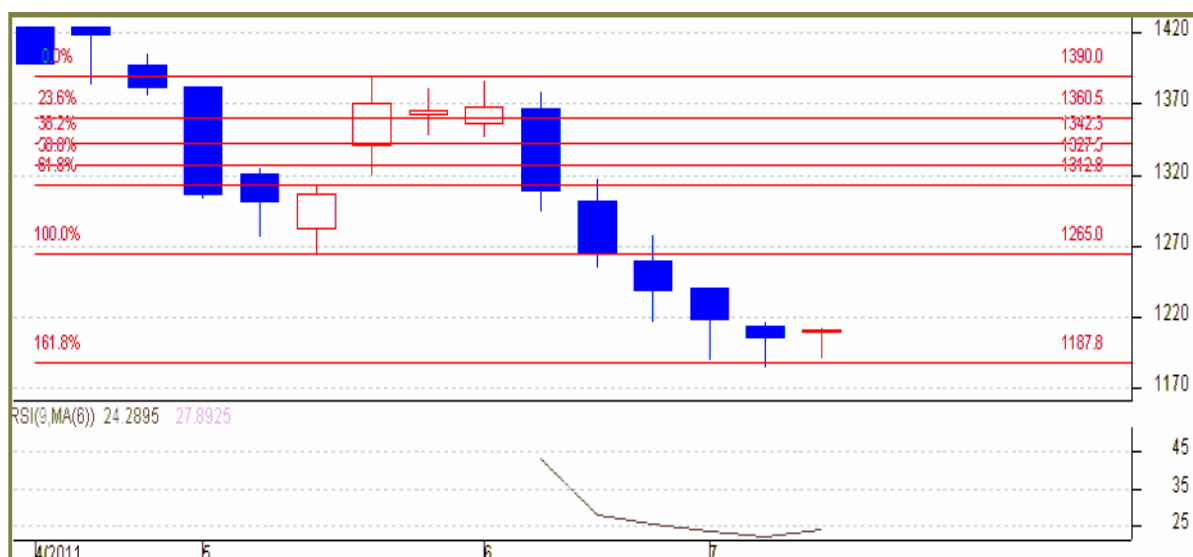
improved ethanol producer margins. Partly offsetting is a 20 -million-bushel reduction in use for sweeteners reflecting slower demand from Mexico. Corn exports are lowered 25 million bushels based on the slower -than-expected pace of shipments in recent weeks. Imports are raised 5 million bushels with continued strong shipments from Canada. Ending stocks for 2010/11 are raised 150 million bushels to 880 million. The season-average farm price is projected at \$5.15 to \$5.35 per bushel compared with \$5.20 to \$5.50 last month.

CBOT Corn Futures Outlook:



- CBOT Corn futures price trend continue to remain range bound with positive bias. More recovery may follow, but 720 levels may act as an upper resistance for the price.
- 680 becomes the first support on the lower side, while below that 660 will act as the same.
- 680-720 is the broad trading range for the price; drift in either direction is likely to take it further in the respective same.

Futures Market Analysis: NCDEX Maize



- Maize price trend becomes range bound near support; bounce from oversold levels remains likely. Bears to keep an upper hand, until 1240 on the higher side is breached.
- 1180-1225 is the immediate trading range for the price. Drift in either direction will take it further in the respective same.
- Positioning of RSI in the weekly chart continue to favor bears.
- **Strategy:** Traders may eye to capture possibility of short covering near current levels but with strict stop loss of 1180, while below the same level, bears will get active once again. As an Alternate strategy, shorting chance at a resistance near 1235 may also arise, but the same will require confirmation.

Maize NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
1160	1180	1196.50	1225	1245

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