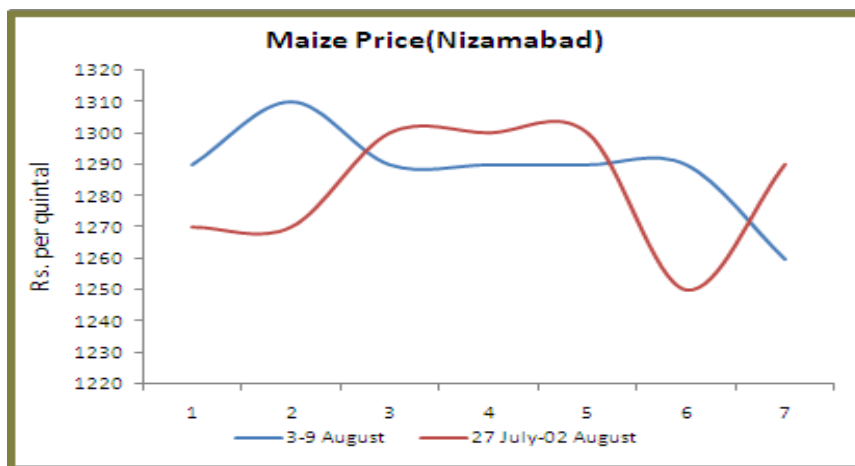


Domestic Market Recap

Maize price plunged lower by 2.33% in the week ended August 09 as compared to the posted gains of 1.57% in the prior week. While Exports continue to remain sluggish, the same weigh on the price sentiment. Deals are not foreseen for any overseas destinations till the next crop comes in as the India maize price are likely to strengthen further in the next one month before they come down by end of September when the new crop comes in.

Lag in crop progress in most of the key growing states due to deficit rains continue to prevail as a supportive factor.



The trade participants are predicting a lower acreage of the crop this year due to lower rainfall in the inner areas of Karnataka and Andhra Pradesh.

- The operators like starch manufacturers who were operating from their own stocks are now returning to the market as they finish their stocks.
- There were lots of buyers seeking cargo from India as supply from Pakistan dried up. The maize from Argentina CFR Malaysian ports is being quoted at USD 325 - 330 PMT. Logically Indian maize price is discounted by USD 25 PMT and there were bids at USD 300 - 302 PMT.
- CFR Port Klang and other west Malaysian ports however there were no deals done as with current Indian prices prevailing in the domestic market the Indian exporter price will not work below USD 320 - 325 PMT CFR which is on par with Argentinean prices.

Following table shows active buyers in southern states of the country and their purchase price:

Godrej Hubli	12350
CP Bangalore	13200
Riddhi Siddhi Bio Glycols, Gokak	12200

Sahyadri Starch,Miraj	12650
VHL Sholapur	*No buying
Godrej Chitradurga	13000
* having own stocks of 40000 bags and utilising it	
** all are delivery prices	

Current Market Dynamics:

Sources at Karnataka (Davengere) convey that, demand from Poultry continues to remain good and the same from starch industry remain normal. In a new development market sources convey that stock with the starch industry is drying up. While sowing lags behind the last year's level, anticipations prevail that only 80% of the targeted area will be sown due to unsupportive rains, out of which 20% is prone to damage.

Maize Price sentiment in Bihar continue to remain positive as arrivals remain hit and whatever little is there, is of inferior quality. Sources in Naughachia convey that farmers prefer to hold the stocks with them, in anticipation to fetch the higher price in future, while this restricts the supply in the market, the same also gets disrupted due to floods in few regions.

Weather:

Weekly Rainfall departure: As reported by IMD

India's monsoon rains were 22 percent below normal in the week to Aug. 3, recording marginal improvement from 23 percent below average showers in the previous week as put by the weather office

In the Monsoon season, cumulative rainfall received for the country as a whole during the period 1st June to 27th July, 2011 was 399.1 mm which is 4% less than the L.P.A. Rainfall received (% departure from normal) in the four broad divisions of the country during the above period is (1%) in North-West India, (2%) in Central India, (-3%) in South Peninsula and (-15%) in East & North-East India.

Total Maize area sown remains at 59.30 lakh hectares as on 29th July as compared to 63.92 lakh hectares i.e. 4.6 lakh hectares lower.

Maize sowing lags behind the last year's level in key regions. While sowing almost nears completion in UP at 98.52%, this percentage hovers at 78.4% in Bihar

Karnatka	% Departure as on -27- 07-2011	% Departure as on -03- 08-2011	Andhra Pradesh	% Departure as on -27- 07-2011	% Departure as on -03- 08-2011	Maharashtra	% Departure as on -27- 07-2011	% Departure as on -03- 08-2011
Davangere	-50%	-1%	Guntur	26%	85%	Solapur	-57%	53%
Haveri	-54%	-20%	West Godavari	-40%	108%	Ahmednagar	-5%	-7%
Belgaum	-17%	-23%	Karimnagar	-43%	2%	Sangli	-41%	-46%
Bellary	3%	9%	Nizamabad	-34%	81%	Pune	-59%	-47%
Chitradurga	-49%	9%	Krishna	-23%	113%	Buldhana	-58%	-29%
Shimoga	-5%	-16%	Khammam	-52%	-38%			
Bagalkot	-62%	-13%	Warangal	-59%	91%			
Dharwad	-30%	-47%						
Chamarajnagar	-17%	13%						
Hassan	-31%	-21						

(Area in Lakh Hectares)

	Target Acreage	Actual acreage	Last year same time
Karnataka as on 31 July	11.24	8.00	9.41
Andhra Pradesh as on August 03	5.00	4.09	4.13
Maharashtra as on 29 July	-	5.7	5.8
Bihar as on 3rd August	3.75	2.94	2.96
Uttar Pradesh as on 7 th August	8.14	8.02	9.08

(Source: State agriculture depts.)

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
		(9 th August, 2011)				
Delhi	Hybrid	1100	1160	1120	1250	965
Davangere	Bilty	1250	1220	1190	1250	980
Nizamabad	Bilty	1260	1290	1270	1190	1020
Naugachia	Bilty	1025	1000	1000	1000	850
Kolkata	Mill	1200	1200	1160	1200	960
Ahmedabad	Feed	1280	1290	1280	1250	1100

	Starch	1240	1240	1250	1265	1090
--	--------	------	------	------	------	------

Indicative Market Arrivals (in Bags)

Market	Grade	Today	Week Ago	Month Ago	2 Month Ago	Year Ago
Nizamabad	Bilty	200	200	-	600	-
Davangere	Bilty	500	3800	-	2000	-
Naugachia	Bilty	1500	2000	3000	8000	7000

One Bag= 100 kg

Comparative Prices: Likely Impact on Maize Demand:

Date	Delhi Market			Spread with Wheat	Spread with Wheat in July 2011	Spread with Bajra	Spread with Bajra in July 2011
	Maize	Wheat	Bajra				
1-Aug-11	1160	1185	905	-25	-100	255	100
2-Aug-11	1160	1185	905	-25	-101	255	100
3-Aug-11	1160	1180	905	-20	-65	255	150
4-Aug-11	1160	1165	905	-5	-70	255	140
5-Aug-11	1125	1145	900	-20	-60	225	160
6-Aug-11	1100	1155	860	-55	-85	240	150
7-Aug-11	1100	1156	860	-56	-85	240	150
8-Aug-11	1100	1170	860	-70	-60	240	170

- Price spread between Maize and Wheat widened to (Rs.70) per quintal once again in the week ended 08th August 2011 after being reduced to just Rs. 5 per quintal few days back. Down move in the Maize Prices as against lesser fall in the Wheat prices continue to keep the demand prospects for Maize, comparatively better.
- Price spread between Maize and Bajra, however continue to remain positive and wide, both from a week and month earlier, indicating sustained attractiveness of Bajra over Maize. On Month on Month basis, Maize price spread with wheat was almost on the same lines last month.

Spot Price (Loose) at Karnataka: Price Outlook

Maize: Davangere (Loose Price)



- Maize Price continues to be range bound. Price continue to recoup from support, capable resistances are situated ahead. Rest of the scenario remains same.
- 1140 on the lower side continue to be the significant support for the price, while 1220 remains the immediate capable resistance levels. While a directional move is likely beyond these levels, until the same happens ranged action is likely.
- Bears will continue to be in picture during the recovery, until the price breaks above 1200 level, convincingly.
- **Strategy:** Buying at dips near 1155 can be the trading strategy with a strict stop loss below 1140, while, while the same move above 1220 is also likely to be fruitful. Keep note of the fact that sellers may try to exercise their power near the mentioned resistance, so remain watchful of the same and be prepared to reverse the trade in case the same happens.

International Market Highlights:

- Another active week for prices in the USA with the week finishing with corn up by about USD 13 m/t, as market awaits the USDA report and the trade seems to be anticipating that the corn yields will drop and that record crop levels may not just be a record as expected.
- The crop condition report last week did not show any change. On the weather side of things, as would be expected, some corn areas will see improved weather with needed rains while some of the very dry areas are going to remain very dry for at least another week.

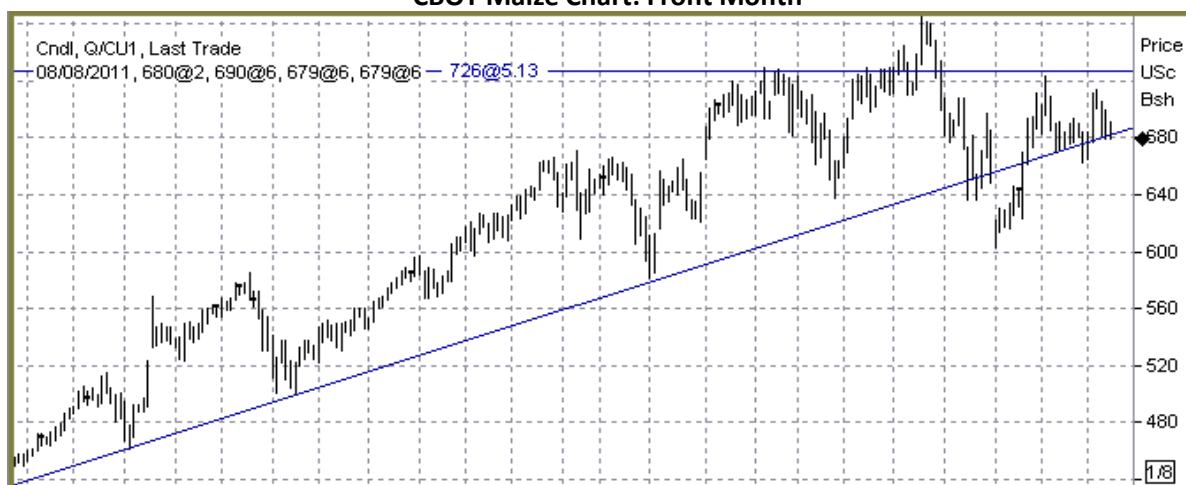
- There are several unknowns facing the export markets in coming weeks and months: the GMO situation in the EU and how that will affect USA and Brazil corn and corn by-products, the much larger crops in Russia and the Ukraine and the surrounding countries, the surplus of feed wheat out of the Black Sea, business with China in corn.

USDA Crop Condition report	Very Poor	Poor	Fair	Good	Excellent
Corn	5%	9%	24%	46%	16%

- **Argentina:** authorized the exportation of an additional 600,000 tones of 2010/11 corn as put by the head of local grains export industry. The authorizing brings the total amount of permitted 2010/11 corn exports to 12.6 million tones. After these 600,000 tones, there must be 1.2 million or 1.3 million tones more corn remaining for export.

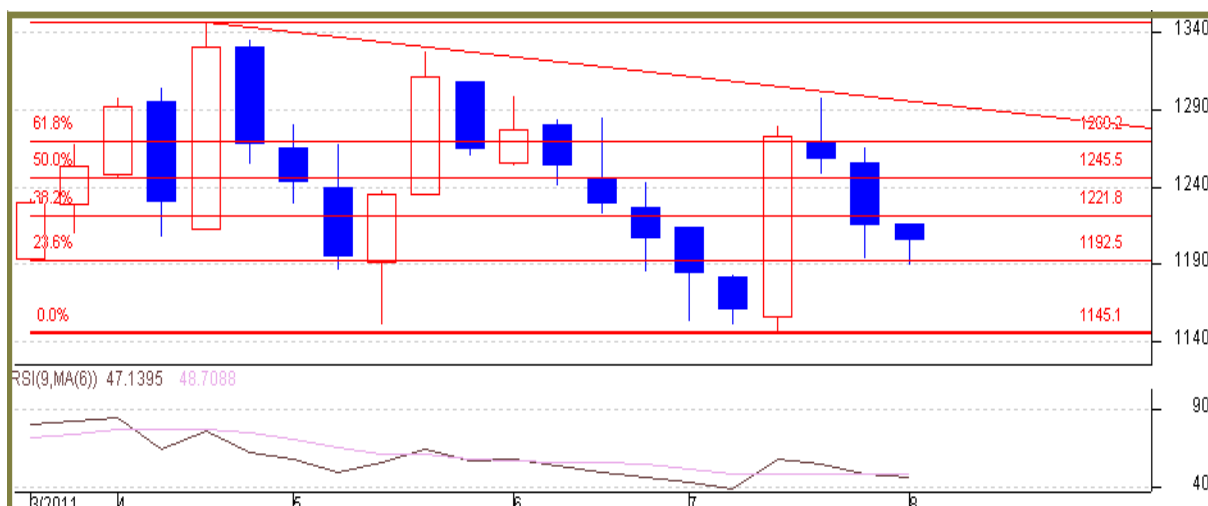
CBOT Corn Futures Outlook:

CBOT Maize Chart: Front Month



- Maize Price Trend remains range bound. 680 is a crucial trend line support for the price.
- 725-660 however continues to be the trading range for the price, while any directional move is likely beyond these levels only, until the same happens price will continue to hover in the mentioned range.
- Strategy: Buying at dips continue to be the applicable trading strategy until 680 on the lower side stay unbreached while below the same traders may look to reverse the trade.

Futures Market Analysis: NCDEX Maize



- Maize price trend continue to be range bound. Correction continues, nearness to support suggest caution for bulls.
- 1200-1225 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:** While buying signal near support point (1200) remain anticipation, until that happens sellers will hold an upper hand until 1265 on the higher side is broken. Selling at highs can be adopted as a strategy with a backup plan to reverse the trade above 1250/1265 and alternatively caution is suggested near 1200 level.

Maize NCDEX (September)

Support & Resistance				
S2	S1	PCP	R1	R2
1180	1200	1217	1235	1245

DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>