

WHEAT DAILY

01st MARCH, 2007

SPOT MARKETS:

Wheat prices remained weak in major wheat wholesale markets on bearish fundamental. Forward Market Commission prohibited futures exchanges to trade in wheat. This makes the market participants mostly stay away from the market. However, stockists are also seen liquidating their stock position. At Delhi, Wheat dara for mills quoted steady at Rs.1035/ql. The arrival remained around 5,000-6,000 bags. FCI is releasing 14,000 tonnes Rs 986 per qtl wheat in Delhi. Of the total amount 11,000 tonnes for flour millers and 3,000 tonnes for chakki millers. The FCI has declared to sale 3.65 lakh tonnes wheat under its open market scheme last week. However, buyers are not showing interest in purchasing the wheat from FCI as they are optimistic about further decline on wheat prices in coming days on plentiful harvest. The wheat prices in Rajkot mandis quoted down between Rs.850-860/ql on the back of lower fresh arrivals about 5000 bags. The wheat prices in Indore market has decline too on increased fresh arrivals around 6,000-7,000 bags. Wheat has supplied to Chattisgarh from the M.P. mandis.

FUTURES MARKETS:

Wheat futures at the NCDEX trading mix. The most active March contract opened lower at Rs.954/ql. as against the previous closing of Rs.955.2/ql. Square off interest lifted the contract by 2.28% at Rs.977/ql and hovered in the range of Rs.947-977.8 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. FCI quoted 4 Lakh MT of Wheat at floor price of Rs. 1232.50/ql.

Bearish:

1. Govt. decision to release 365,000 tonnes of wheat through FCI in open markets
2. Wheat acreage increased to 284.497 Lh as on 19.02.07 as compared to 266.63 Lh during the same period of last year.
3. Forward Market Commission prohibited futures exchanges to trade in wheat.

WEATHER:

Present weather conditions are favourable for healthy growth of wheat that is on an average pre flowering to flowering stage.

NCDEX Wheat March Contract



SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	28.02.07	27.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1035	1035	-
Haryana (Karnal)	Wheat Mill quality	980-985	990-995	-10
Punjab (Khanna)	Wheat Mill quality	1060-1065	1060-1065	-
Rajasthan (Kota)	Wheat Mill quality	1030-1035	1035-1040	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1040-1045	1050-1055	-5
Madhya Pradesh (Indore)	Wheat Mill quality	875-880	890-895	-15
Uttar Pradesh (Bareilly)	Wheat Mill quality	1065-1070	1050-1055	+15

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>

© 2005 Indian Agribusiness Systems Pvt Ltd.