

WHEAT DAILY

04th MARCH, 2007

SPOT MARKETS:

Wheat sentiments continued bearish in major wheat wholesale markets. Stockists are seen liquidating their stock position. The flour millers and stockists mostly remained silent. However, the celebration of holi festivals has restricted the market activities to some extent. At Delhi, Wheat dara old for mills quoted steady at Rs.1020/qrtl. However, some fresh arrivals has started from M.P. mandis and the new wheat prices quoted at Rs.985-990/qrtl. The fresh arrivals are likely to increase after holi festivals. The arrivals have also increased in Punjab mandis. 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 wheat prices in Rajkot mandis quoted down between Rs.850-855/qrtl on the back of fresh arrivals about 5000 bags. The wheat prices in Indore market has decline to Rs.865-870/qrtl on steady fresh arrivals around 6,000-7,000 bags. The duty free import of wheat permitted by the Centre in September last year has closed on February 28 and 50 per cent duty on wheat imports was back again. No extension has been issued for private duty-free wheat imports. However, Flour millers are not welcomed the decision and are seeking an extension of the zero duty. Govt. is likely to procure 151.5 lakh tones of wheat in the marketing season 2007-08.

PRICE DRIVERS:

Bulls:

1. Duty free import of wheat has withdrawn

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.
4. Fresh arrivals are increasing in Gujarat as well as M.P. mandis
5. Prominent corporate buyers are likely to avoid wheat purchase this year

WEATHER:

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

NCDEX Wheat March Contract:



SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	03.03.07	02.03.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1020	1020	-
Haryana (Karnal)	Wheat Mill quality	985-990	1006-1011	-21
Punjab (Khanna)	Wheat Mill quality	1050-1055	1050-1055	-
Rajasthan (Kota)	Wheat Mill quality	1010-1015	1015-1020	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	N.A.	1050-1055	-
Madhya Pradesh (Indore)	Wheat Mill quality	865-870	865-870	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	N.A.	1055-1060	-

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