

WHEAT DAILY

30th MARCH, 2007

SPOT MARKETS:

Wheat sentiments prices at the spot remained bearish on the pressure of fresh arrivals amidst steady demand. However, thin market activities are witnessed because of forthcoming March ending. Punjab mandis saw weak sentiments on the eve of starting fresh arrivals. About 1 lakhs bags of arrivals are reported from different mandis of Punjab. Price decline to 900/qlt in Sunam mandis on the back of fresh arrivals around 2,000 bags daily. Traders expecting huge arrivals within a fortnight. However, steady demand from millers are reported.. Farmers in Punjab and Haryana are continuously pressurizing the Govt. to increase the wheat MSP further. It is learned that the Centre may ban the wheat procurement by the private agencies during initial procurement period starting from 1st April in Punjab and Haryana. However, farmers are seen interesting to sell their crops to the private agencies because of higher prices. According to trade sources, private companies offering to higher prices around Rs.1000/qlt. Some farmers even have already granted handsome advance money from prominent private houses. Some farmers from Punjab are also interested to take their crop to Rajasthan, Madhya Pradesh or even Gujarat to get handsome amount of money from private players. At Delhi, wheat dara for mills traded down between Rs.1015-1020/qlt on steady arrivals around 4,000-5,000 bags from Madhya Pradesh. The arrivals of old stocks decreased to 1000 bags. Prominent private corporate are actively purchasing wheat crop from Madhya Pradesh mandis. Traders reported from Bhopal that Kargil purchasing wheat at Rs.1005/qlt. The MNC's like Olam, Topar are also active in the market. Wheat prices remained steady in Gujarat mandis despite of fresh arrivals. In Rajkot mandis the price quoted steady to Rs. 920-925/qlt on the back of steady fresh arrivals about 10,000-12,000 bags. Private companies resume their purchasing from Rajkot mandis..The MNC's like AWB, Adarni, Kargil, Ruchi soya are active in the market yards. According to the trade sources they have purchased around 50,000-55,000 bags so far.

PRICE DRIVERS:

Bullish:

1. Govt. discontinued the duty free wheat import
2. Govt. decided to give bonus of Rs.100/qlt on MSP
3. Private corporate houses actively purchasing wheat from Gujarat and Madhya Pradesh mandis.

Bearish:

1. Poor product demand all over India amidst Govt. decision to release 4 lakh tonnes of wheat through FCI
2. Wheat acreage increased to 281.782 Lh as on 01.02.07 as compared to 264.336 Lh during the same period of last year.
3. Fresh arrivals are increasing in Gujarat as well as M.P. mandis and has started in Punjab, Haryana and Rajasthan.
4. Govt. will very aggressive in increasing buffer stocks of wheat this season
5. Prominent corporate buyers are likely to avoid wheat purchase this year from Punjab, Haryana and U.P.
6. Govt banned wheat export till 31 December, 2007
7. Govt. may consider to resume the wheat exports in case of bumper production
8. Govt thinking on ban on private companies procuring wheat in U.P.

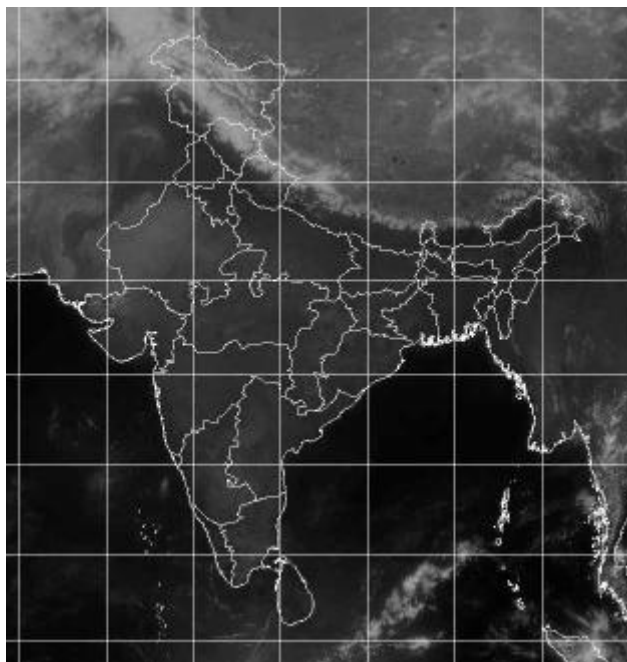
WEATHER:

Standing wheat crop needs bright sunshine for healthy development and maturity. Further rains at this moment certainly cause concern.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	29.03.07	28.03.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1015-1020	1020	-5
Haryana (Karnal)	Wheat Mill quality	995-1000	1005-1010	-10
Punjab (Khanna)	Wheat Mill quality	1080-1086	1080-1086	-
Rajasthan (Kota)	Wheat Mill quality	915-921	920-925	-4
Uttar Pradesh (Kanpur)	Wheat Mill quality	985-990	1030-1035	-45
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	950-955	-5
Uttar Pradesh (Bareilly)	Wheat Mill quality	N.A.	1060-1065	-

SATELLITE PICTURE OF MONSOON PROGRESS (29.03.07)



Monsoon Features (29.03.07)

- ✓ Under the influence of a fresh western disturbance scattered precipitation is likely over Western Himalayan region and isolated over adjoining plains of Punjab and north Haryana on 31st March & 1st April. Heat wave conditions prevailed over some parts of Gujarat during past 24 hours. The day temperatures are likely to increase further by 2-3°C over many parts of north, west and central India during next 48 hours. Consequently the heat wave conditions are likely to extend to more parts of Gujarat and also develop over some parts of south Rajasthan.

Outlook for subsequent two days (Based on numerical weather products):

- ✓ Scattered precipitation likely over Jammu & Kashmir and isolated over Himachal Pradesh, Uttarakhand, Punjab and north Haryana on 1st. Fall in day temperatures over north and west India leading to abatement of heat wave conditions over Gujarat and Rajasthan. Scattered rain/thundershowers and abatement of hot day conditions over northeast India.

Source: IMD (GOI)

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