

## WHEAT DAILY

29<sup>th</sup> MARCH, 2007

### SPOT MARKETS:

Wheat prices at the spot remained down on the pressure of fresh arrivals amidst steady demand. However, thin market activities are witnessed because of forthcoming March ending. Ram Nabami celebration is also softening the market activity. 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.. Some Kissan Unions of Punjab are not seen satisfied with the hike in wheat MSP to Rs.850/qlt. and they are demanding further bonus of wheat MSP. At Delhi, wheat dara for mills traded down at Rs.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. Govt. is likely to procure around 75 lakh tonnes of wheat from Punjab, 45 lakh tonnes of wheat from Haryana, and about 15 lakh tonnes of wheat from U.P. this year. It hopes to have stocks with Govt. around 4-4.5 Mln Tonnes on 1st April 2007. Therefore, the stock on April is satisfied with the Govt buffer stocks quantity norms i.e., 4 Mln Tonnes. As per buffer stock quantity norms of Govt. of India the wheat stock should be around 17.1 Mln Tonnes on 1st July, 2007. Therefore, The government is expected to buy 15 million tonnes to raise wheat stocks during coming three months. The prices of wheat product remained steady. However traders are optimistic about some weakness in prices in near future on increased supply of new crops.

### 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.

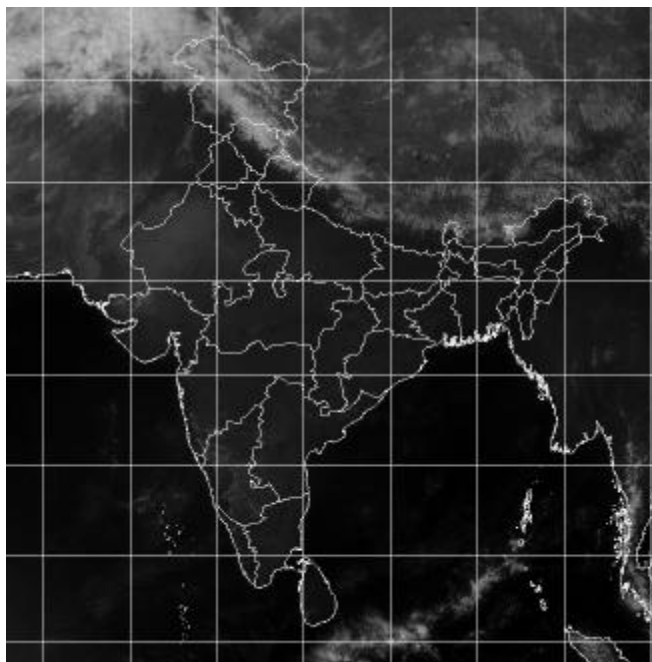
### WEATHER:

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	28.03.07	27.03.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1020	1030	-10
Haryana (Karnal)	Wheat Mill quality	1005-1010	1000-1005	+5
Punjab (Khanna)	Wheat Mill quality	1080-1086	1085-1091	-5
Rajasthan (Kota)	Wheat Mill quality	920-925	920-925	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1030-1035	1030-1035	-
Madhya Pradesh (Indore)	Wheat Mill quality	950-955	950-955	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1060-1065	1055-1060	+5

## SATELLITE PICTURE OF MONSOON PROGRESS (28.03.07)



### Monsoon Features (28.03.07)

- ✓ According to Numerical Weather Prediction models, a fresh western disturbance is likely to affect western Himalayan region and adjoining plains of Punjab and north Haryana on 31st March & 1st April. The prevailing day temperatures are near normal over Indo-Gangetic plains & east India and 2-3°C above normal over the remaining parts of the country. With the likely approach of western disturbance and weakening of the northwesterly winds, both day and night temperatures are likely to increase by 2-4°C over northwest India during next 2-3 days.

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

- ✓ Scattered precipitation likely over Jammu & Kashmir and isolated over Himachal Pradesh, Uttaranchal, Punjab and north Haryana.
- ✓ Fall in day temperatures over northwest India.

Source: IMD (GOI)

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