

WHEAT DAILY

28th 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. At Delhi, wheat for mills traded down at Rs.1030/mtl on higher arrivals around 5,000-6,000 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/mtl. 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/mtl 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, Adami, 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. Punjab mandis saw weak sentiments on steady demand from millers coupled with fresh arrivals in Patiala district. Some Kissan Unions of Punjab are not seen satisfied with the hike in wheat MSP to Rs.850/mtl. In the wake of fresh crop arrivals likely to hit the market April second week the farmers are demanding further bonus of wheat MSP. 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. In Sunam mandis wheat prices quoted flat at Rs. 940/mtl on the back of arrivals about 1,000-1,500 bags. The government is expected to procure around 15 million tonnes to raise stocks. It hopes to have stocks of 4-4.5 million tonnes on April 1, made up mainly of imported wheat. The buffer stocks are used to sell grain to the poor at subsidised prices and meet the needs of welfare schemes. 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/mtl 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
4. Govt. will be very aggressive in increasing buffer stocks of wheat this season
5. Prominent corporate buyers are likely to avoid wheat purchase this year
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.

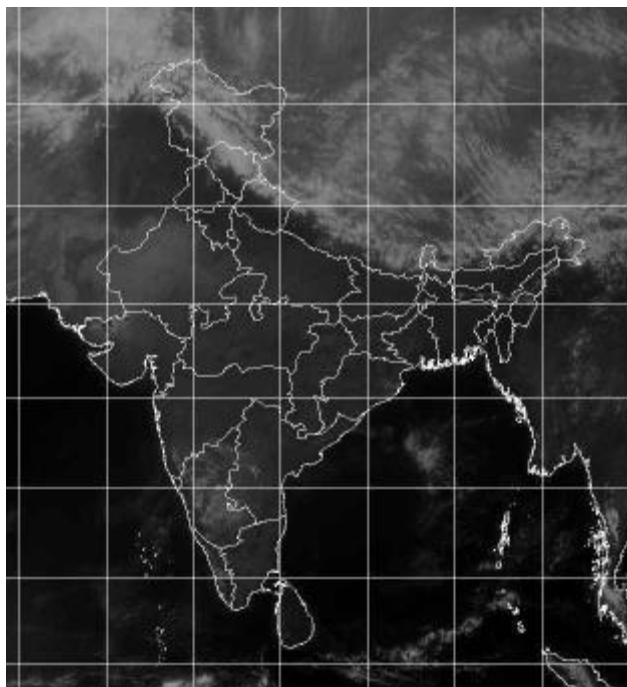
WEATHER:

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	27.03.07	26.03.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1030	1050	-20
Haryana (Karnal)	Wheat Mill quality	1000-1005	1010-1015	-10
Punjab (Khanna)	Wheat Mill quality	1085-1091	1080-1085	+6
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	1055-1060	1055-1060	-

SATELLITE PICTURE OF MONSOON PROGRESS (27.03.07)



Monsoon Features (27.03.07)

- ✓ A fresh western disturbance is likely to affect Jammu & Kashmir region from 30th onwards. Under its influence fresh spell of light rainfall/snowfall activity is likely to commence over the region on 30th. Subsequently this activity is likely to intensify and spread over adjoining Himachal Pradesh and Uttaranchal. With the decrease in the strength of northwesterly winds, both day and night temperatures are likely to show an increasing trend over north India next 3-4 days.

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

- ✓ Scattered rain/snow likely over Jammu & Kashmir and isolated over Himachal Pradesh and Uttaranchal.

Source: IMD (GOI)

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