

## WHEAT DAILY

02<sup>nd</sup> APRIL, 2007

### SPOT MARKETS:

Wheat sentiments at the spot remained weak on the pressure of increased fresh arrivals amidst steady demand. However, thin market activities are witnessed because of Mahavir Jayanti celebration. Some of the major markets remained closed on that celebration. 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. However, traders reported some delay in peak arrivals due to some rainfalls fortnight ago. Price remained 900-915/qlt in Sunam mandis on the back of fresh arrivals around 4,000 bags daily. However, steady demand from millers are reported.. Farmers in Punjab and Haryana are continuously pressurizing the Govt. to increase the wheat MSP further. The farmers unions and politicians are continuously pressuring the Govt. for a bonus of Rs.100/qlt further above the MSP of Rs.850/qlt. According to the media sources 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. However, there is no formal ban from the Govt. side on private traders for buying wheat from farmers in any parts of the country. Under the Essential Commodities Act, private traders should need to unfold details about their stock position if they purchase more than 50,000 tonnes of wheat in a year. At Delhi, wheat dara for mills traded down further between Rs.995-1000/qlt on steady arrivals around 6,000-7,000 bags from Madhya Pradesh. The price of wheat products has also declined. 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. Govt banned wheat export till 31 December, 2007
6. Govt. may consider to resume the wheat exports in case of bumper production
7. Govt thinking on ban on private companies procuring wheat in U.P.

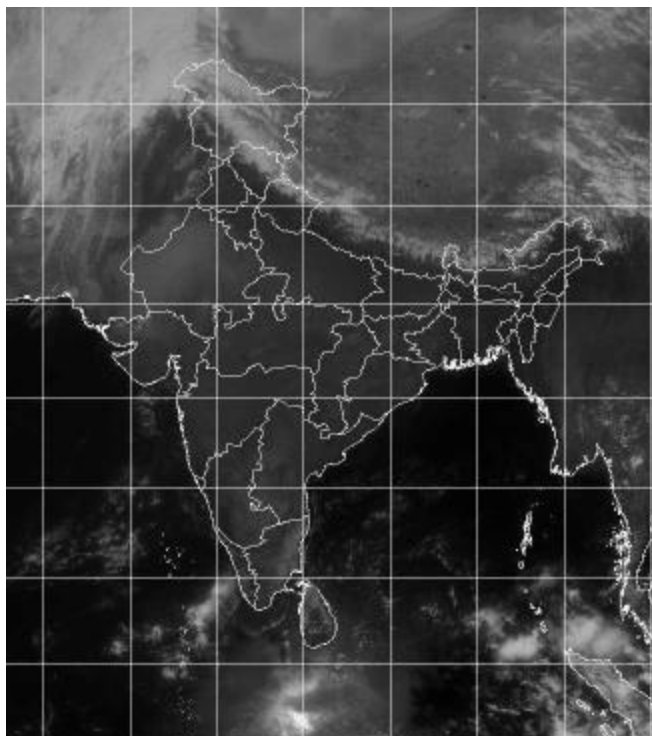
### WEATHER:

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	31.03.07	30.03.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	995-1000	1010-1015	-15
Haryana (Karnal)	Wheat Mill quality	995-1000	995-1000	-
Punjab (Khanna)	Wheat Mill quality	Closed	1075-1080	-
Rajasthan (Kota)	Wheat Mill quality	916-922	916-922	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	Closed	980-985	-
Madhya Pradesh (Indore)	Wheat Mill quality	Closed	955-960	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	Closed	920-925	-

## SATELLITE PICTURE OF MONSOON PROGRESS (31.03.07)



### Monsoon Features (31.03.07)

- ✓ Heat wave conditions continued to prevail over parts of Gujarat and Rajasthan. they have also developed over parts of West Madhya Pradesh and adjoining north Maharashtra. They are likely to continue till tomorrow and abate thereafter. Under the influence of a western disturbance, scattered precipitation is likely over Jammu & Kashmir during next 48 hours. Isolated precipitation is also likely over Himachal Pradesh, Punjab, Chandigarh and north Haryana on 1st April.

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

- ✓ Scattered rain/thundershowers likely to continue over northeastern States

Source: IMD (GOI)

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