

WHEAT DAILY

26th MARCH, 2007

SPOT MARKETS:

Wheat prices at the spot market remained steady to down. Thin market activities are witnessed because of forthcoming March ending. However, the sentiments remained tight on centre announced the Rs100 bonus over and above MSP last weekend.. At Delhi, wheat dars for mills traded flat at Rs.1060/mtl on steady arrivals at lower levels around 1,000 bags from old stocks and 2,000-3,000 bags new crop arrived from M.P.. New wheat quoted between Rs.1035-1040/mtl. Some demand from Uttar Pradesh and Bihar continued supporting the tone. Wheat prices continued tight in Gujarat mandis despite of fresh arrivals. In Rajkot mandis the price quoted steady to Rs. 920-925/mtl on the back of 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. According to the media sources Gujarat govt has imposed stock limit. However no confirmation has made from Govt side and we are learning that govt is considering this matter. Wheat prices remained tight in M.P. mandis also. In Bhopal the wheat traded up between Rs.910-925. The MNC's like Olam, Topar are active in the market. Punjab mandis saw tight sentiments on some demand from millers as well as on higher MSP announced by Govt. 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 up at Rs. 950/mtl on the back of arrivals about 1,000-1,200 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.

PRICE DRIVERS:

Bullish:

1. Govt. discontinued the duty free wheat import
2. Govt. decided to give bonus of Rs.100/mtl on MSP

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 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.

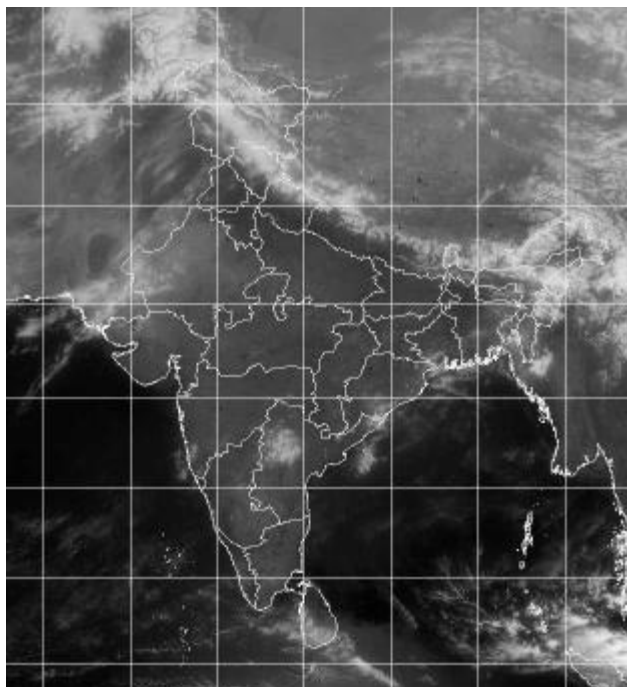
WEATHER:

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	24.03.07	23.03.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1060	1060	-
Haryana (Karnal)	Wheat Mill quality	1040-1045	1050-1055	-10
Punjab (Khanna)	Wheat Mill quality	1060-1065	1110-1115	-50
Rajasthan (Kota)	Wheat Mill quality	920-925	920-925	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1035-1040	1045-1050	-10
Madhya Pradesh (Indore)	Wheat Mill quality	965-970	965-970	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1070-1075	1060-1065	+10

SATELLITE PICTURE OF MONSOON PROGRESS (24.03.07)



Monsoon Features (24.03.07)

- ✓ Numerical weather prediction models suggest that strong northwesterly winds at lower tropospheric levels are likely to prevail over Indo-Gangetic plains during next 3-4 days. Consequently generally dry weather conditions are likely over northwest and central India.

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

- ✓ No large change.

Source: IMD (GOI)

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