

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices on the spot market remained up following the the Centre announced the Rs100 bonus over and above MSP last weekend.. At Delhi, wheat para for mills traded up by Rs.10/mt at Rs.1060/mt 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 firm between Rs.1035-1040/mt. 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/mt 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, 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. 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/mt. 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/mt 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/mt 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.

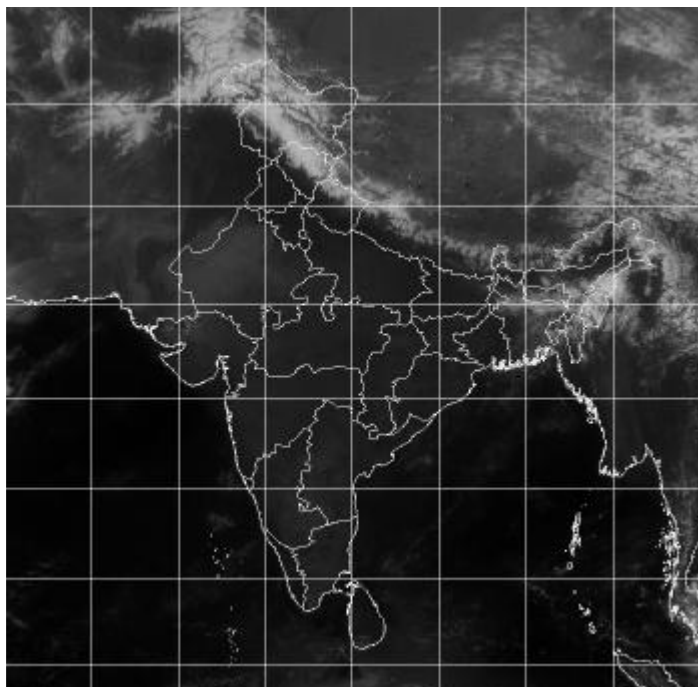
### WEATHER:

Standing wheat crop needs bright sunshine for healthy development and maturity. Intermittent showers and lower temperatures are forecast for the period March 19 to March 23, 2007 in the Northern Plains of India. Further rains at this moment certainly cause concern.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	23.03.07	22.03.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1060	1045-1050	+10
Haryana (Karnal)	Wheat Mill quality	1050-1055	1030-1035	+20
Punjab (Khanna)	Wheat Mill quality	1110-1115	1110-1115	-
Rajasthan (Kota)	Wheat Mill quality	920-925	916-922	+3
Uttar Pradesh (Kanpur)	Wheat Mill quality	1045-1050	1050-1055	-5
Madhya Pradesh (Indore)	Wheat Mill quality	965-970	955-960	+10
Uttar Pradesh (Bareilly)	Wheat Mill quality	1060-1065	1055-1060	+5

## SATELLITE PICTURE OF MONSOON PROGRESS (23.03.07)



### Monsoon Features (23.03.07)

- ✓ The current meteorological analysis suggests that isolated to scattered rain/thundershowers are likely to continue over northeastern States during next 3-4 days. Generally dry weather conditions are likely over remaining parts of the country during the same period.

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

- ✓ Isolated to scattered rain/thundershowers are likely over northeastern States. Generally dry weather conditions are likely over the remaining parts of the country.

Source: IMD (GOI)

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