

## WHEAT DAILY

07<sup>th</sup> APRIL, 2007

### SPOT MARKETS:

Spot market sentiments for wheat in Delhi remained steady, with rangebound prices. Arrivals at Lawrence Road reported at 12000-15,000 bags and quoted at Rs.990-995 per quintal. Combined arrivals in Narela and Najafgarh mandis stood at 10-12,000 bags and quoted at Rs.850 - 930 loose per quintal, depending on moisture content. Total arrivals in Uttar Pradesh were placed around 100,000 bags with Hardoi, Sitapur, Lakhimpur, Shajapur, Philibit and Mathura contributing mainly, with each of these mandis receiving between 8,000 to 15,000 bags. Depending upon quality/moisture content prices ranged from Rs.850 - 915 loose per quintal. In Haryana arrivals were reportedly estimated at 22,000 - 25,000 bags with Palwal and Hodal mandis contributing 9,000 bags together and fetched Rs.870-875 loose per quintal. In Punjab it is expected that the arrivals would gain momentum after a week to ten days in the prevailing weather conditions. Nominal arrivals totaling 15,000 - 17,000 qtls were reported mainly from Rajpura and Khanna with prices ranging from Rs.850 to 910 per qtl (loose), as the moisture content was found higher.

As the situation now stands, private players are on the sidelines adopting a wait and watch approach in Punjab. In Haryana already government has started procurement in a small way from Palwal/Hodal mandis. In Uttar Pradesh right now private traders are active. With a huge crop in Uttar Pradesh, prices are expected to soften whereas in Punjab and Haryana we are expecting lower arrivals in the market during early April. Further, it is also believed that farmers in Punjab and Haryana will try to hold back larger quantities this year in the hope of getting better realization later after government procurement is completed. Thus with a combined production of almost 24-25 million tonnes, market arrivals in Punjab and Haryana is expected to be less than 60 percent as per current indications.

### PRICE DRIVERS:

#### Bullish

1. Government decided to give a bonus of Rs.100/qlt on MSP to induce farmers to sell to them.
2. Private trade actively purchasing wheat from Gujarat and Madhya Pradesh mandis.
3. Farmers are inclined to bring their produce in smaller lots during peak arrival season and hold back till prices firm up.

#### Bearish:

1. Fresh arrivals increasing with each passing day.
2. Increasing possibility of government resorting to fresh imports if procurement falls below expectations.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.
4. Private trading houses adopting a wait and watch attitude before entering Punjab Markets.

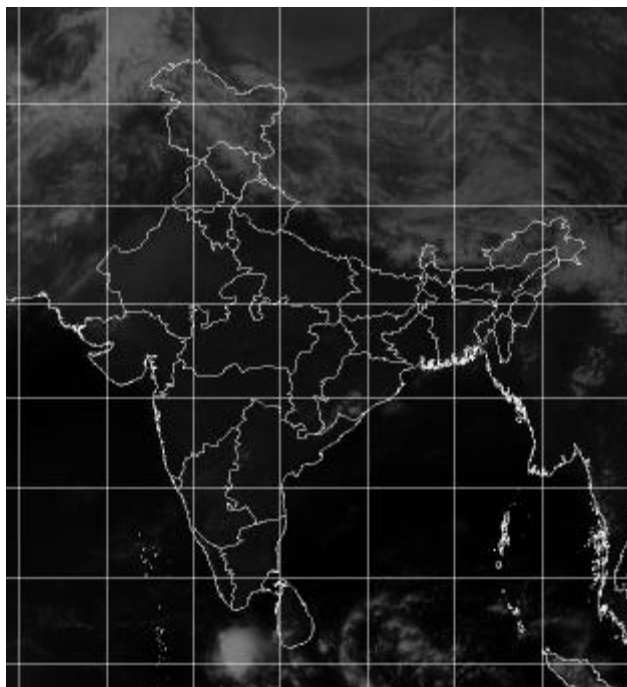
### WEATHER:

Standing wheat crop needs bright sunshine during maturity for lower moisture levels. Some rainfall during the second fortnight of last month has delayed the crop in northwestern India. Present weather is favourable for maturity, although in parts of Punjab cool weather is still continuing.

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

Markets	Variety	06.04.07	04.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	990-995	1000	-5
Delhi (Narella)	Wheat Mill quality	960-965	-	-
Haryana (Palwal)	Wheat Mill quality	870-875	-	-
Rajasthan (Kota)	Wheat Mill quality	NA	955-960	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	NA	965-970	-
Madhya Pradesh (Indore)	Wheat Mill quality	NA	970-975	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	NA	910-915	-

## SATELLITE PICTURE OF MONSOON PROGRESS (06.04.07)



### Monsoon Features (06.04.07)

- ✓ Heat wave conditions have developed over some parts of Gujarat. With increase in day temperatures heat wave conditions likely to extend into south Rajasthan, North Maharashtra and West Madhya Pradesh during next 48 hours
- ✓ The ongoing light to moderate scattered rain/thundershowers over northeast states are likely to continue during next 3-4 days.
- ✓ Isolated to scattered rain/thundershowers are likely to continue over northeastern States.
- ✓ Increase in thunderstorm activity over south peninsula.

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

Scattered rain/thundershowers are likely to continue over northeastern States.

Source: IMD (GOI)

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