

WHEAT DAILY

28th APRIL, 2007

SPOT MARKETS:

Punjab & Haryana Contribute for Procurement - Private Trade Active in Other Centres

Wheat procurement in India is still lower so far. FCI reportedly procured around 71.09 lakh tonnes so far as on 26th April, 2007 as compared to 84.24 lakh tonnes during corresponding period of last year. Of the total, about 48.6 lakh tonnes were purchased from Punjab, Around 14,327 tonnes was purchased from Uttar Pradesh and a mere of 21.9 lakh tonnes was procured from Haryana. Arrivals are also reportedly at lower side around 89.8 lakh tonnes so far as against 108.9 lakh tonnes during the same period of last year. Wheat arrivals in the mandis of Punjab, Haryana and Uttar Pradesh remains down this year on account of the late maturing of the crop. It is also learnt that good number of large farmers in the states, with sufficient holding capacity, are stocking their produce in order to get handsome money in the coming future. They are optimistic that the prices of wheat go up in the next 3-4 months. IGC projected higher global wheat production by 32 Mln Tonnes to 623 Mln Tonnes in the year of 2007-08. Around 2500 tonnes Pakistani wheat has already reached at Indian shores of Tuticorin. Recently, Indian rupee appreciation makes it viable to import wheat further from Pakistan if needed. The imported wheat was bought at \$232 a tonne on cost and freight basis. Indian grain traders have made a deal to import 20,000 tonnes of Pakistani wheat. FCI should stock around 171 lakh tonnes of wheat till 1st July as per buffer stock norms.

Total arrivals in Delhi markets stood up around 15,000 qtls and prices at Lawrence Road were quoted at Rs.940 per quintal ready delivery(truck loaded). Narela and Najafgarh markets experienced the arrivals of 10000 qtls and 6000 qtls with the prices of Rs.911-921 and Rs.882-910 respectively on loose basis while Karavali market was closed. In Achnera, the arrivals were 5000-6000 qtls with price Rs. 870-900. ITC and Godrej were active in these markets. Glencore, for instance, is buying largely from Gujarat, while Cargill and Ruchi are sourcing from the Bundi-Kota belt of Rajasthan. AWB is similarly focussed on Gujarat and MP.

Following was the status in other mandis, with active millers and private trade buying:

Mathura	4000-5000 Qtls	Rs. 915-925per qtl
Kosi	4000Qtls	Rs. 860 per qtl
Hodal	2000 Qtls	Rs. 855-860 per qtl
Palwal	2000 Qtls	Rs. 875-880per qtl
Hardoi	-	-
Rajkot	5000 Qtls	Rs. 870-875 per qtl

PRICE DRIVERS:

Bullish:

1. Government decided to give a bonus of Rs.100/qlt on MSP to induce farmers to sell to them taking the MSP together with bonus to Rs.850 per quintal.
2. Private trade actively purchasing wheat from Gujarat, Rajasthan and Madhya Pradesh mandis

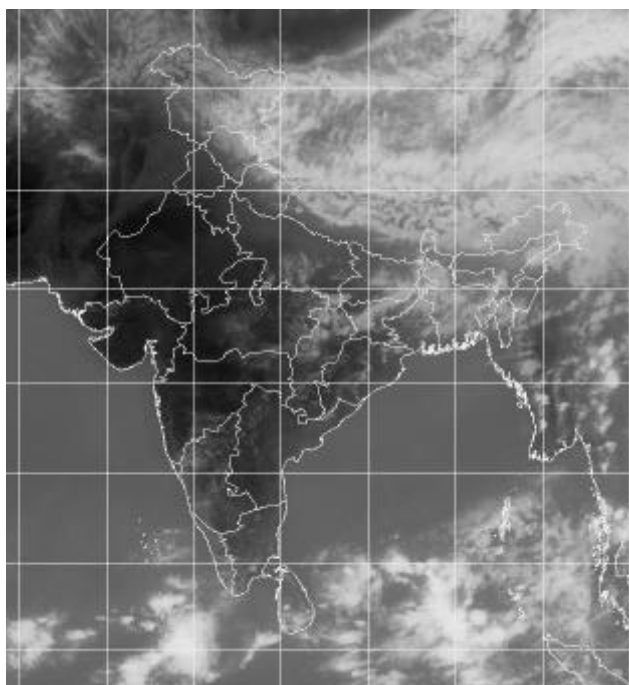
Bearish:

1. Fresh arrivals increasing with each passing day.
2. Increasing possibility of government meeting procurement targets.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	27.04.07	26.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	940	945-950	-10
Delhi (Narela)	Wheat Mill quality	911-921	916-917	+4
Haryana (Palwal)	Wheat Mill quality	875-880	860	-20
Rajasthan (Kota)	Wheat Mill quality	965-970	961-966	-4
Uttar Pradesh (Kanpur)	Wheat Mill quality	945-950	945-950	-
Madhya Pradesh (Indore)	Wheat Mill quality	923-928	920-926	+2
Uttar Pradesh (Bareilly)	Wheat Mill quality	942-947	940-945	+2

SATELLITE PICTURE OF MONSOON PROGRESS (26.04.07)



Monsoon Features (26.04.07)

- ✓ Heat wave conditions have developed over some parts of north Rajasthan and adjoining West Haryana where the day temperatures are above normal by 5°C. In view of expected duststorm/thunderstorm activity over Rajasthan and northwest India, temporary relief from prevailing heat wave conditions is likely only for a day or two. Subsequently a gradual rise in day temperatures is expected over the region. The ongoing fairly widespread rainfall activity over northeastern States is likely to continue till tomorrow and decrease thereafter. In view of approach of a cyclonic circulation, the rainfall activity is likely to increase over extreme south Peninsula from 28th. The highest maximum temperature of 43.2 °C was recorded at Chandrapur in Vidarbha and Lucknow in East Uttar Pradesh.

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

- ✓ Heat wave conditions are likely over some parts of northwest, central & east India.

Source: IMD (GOI)

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