

WHEAT DAILY

20th APRIL, 2007

SPOT MARKETS:

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

Wheat procurement by Govt. of India doesn't find its peak so far. The arrivals are also reportedly slow in the major markets of Punjab and Haryana. Federal Govt. of India is reportedly purchase about 2.9 Mln Metric Tonnes so far as on 17th April 2007. Last year procurement in the corresponding period stood around 4.5 Mln Tonnes. The private companies are actively purchasing wheat from different mandis of Gujarat, M.P. and U.P. Govt. is very optimistic to procure around 15 Mln Tonnes wheat in the current year. If the government able to buy 15 million tonne of new crop wheat from farmers for its buffer stocks, domestic prices certainly fall further, otherwise Govt has to think on import of gains again.

Total arrivals in Delhi markets stood down around 22000 and prices at Lawrence Road were quoted steady at Rs.955-965 per quintal (mill quality). Arrivals at Narela and Najafgarh were placed 5000qtls and 6000 qtls respectively with prices Rs. 900-910 per quintal Rs. 900-920 per quintal respectively. Arrivals in Karavli were placed at 4,000 with prices at Rs. 900 per qtl while Achnera was closed. ITC and Godrej were active in these markets.

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

Mathura	4000 Qtls	Rs. 895 per qtl
Kosi	6000 Qtls	Rs. 865 per qtl
Hodal	3000 Qtls	Rs. 865 per qtl
Palwal	3000 Qtls	Rs. 875 per qtl
Hardoi	20,000 Qtls	Rs. 870 per qtl
Rajkot	8000 Qtls	Rs. 870-880 per qtl

PRICE DRIVERS:

Bullish:

1. Government decided to give a bonus of Rs.100/qtl 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.

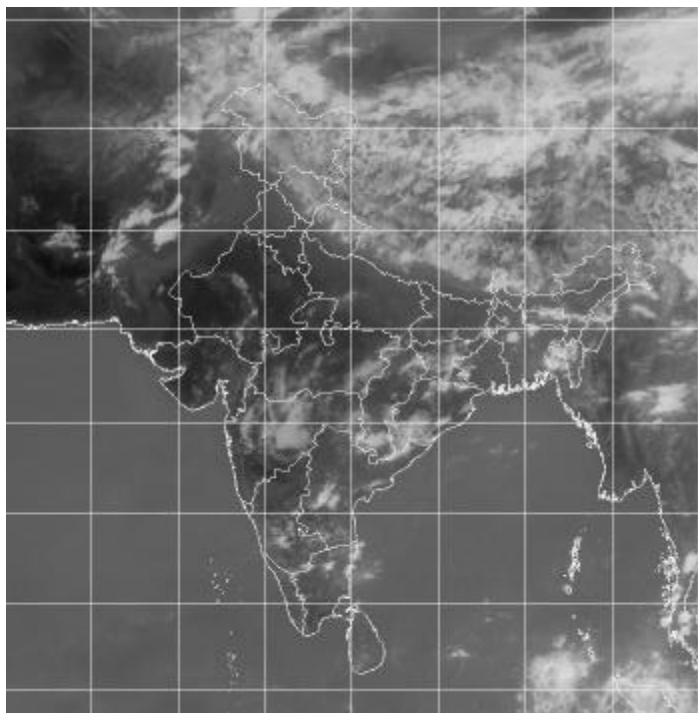
WEATHER:

Standing wheat crop needs bright sunshine during maturity for lower moisture levels. Current weather is supportive for

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.04.07	18.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	955-965	955-965	-
Delhi (Narela)	Wheat Mill quality	900-910	Closed	-
Haryana (Palwal)	Wheat Mill quality	875	856-865	+10
Rajasthan (Kota)	Wheat Mill quality	990-995	995-1000	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	955-960	955-961	-1
Madhya Pradesh (Indore)	Wheat Mill quality	945-951	950-955	-4
Uttar Pradesh (Bareilly)	Wheat Mill quality	945-950	950-955	-5

SATELLITE PICTURE OF MONSOON PROGRESS (19.04.07)



Monsoon Features (19.04.07)

- ✓ Heat wave conditions prevailed over some parts of Rajasthan during past 24 hrs. The current meteorological analysis suggests that no significant change in day temperature is likely over Rajasthan during next 48 hrs. Rise in day temperature by 2-3°C is likely over northwest India during same period. Isolated to scattered rain/thundershower is likely over east and northeast India during next 24 hrs. Scattered to fairly widespread rain/thundershower with isolated heavy falls are likely over northeastern States thereafter.

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

- ✓ Fairly widespread rain/thundershower with isolated heavy falls are likely over northeastern states.
- ✓ Isolated thundersquall is likely over Bihar, Jharkhand and West Bengal & Sikkim.

Source: IMD (GOI)

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