

WHEAT DAILY

14th APRIL, 2007

SPOT MARKETS:

Wheat Procurement Close to One Million Tonnes

Wheat Procurement totalled 9.80 lakh tonnes as of today the 13th April 2007, with Punjab and Haryana mainly contributing to the Central pool. Ironical as it may sound, wheat imports from Pakistan at US\$ 222 per MT C&F and above for Mumbai, Chennai and Tuticorin has been contracted and reportedly 1300 - 1400 containers will arrive in due course. Given the current favourable Dollar/Rupee rates, landed cost including bagging will be around Rs. 1050 per qtl, which is definitely lower, compared to the domestic wheat prices prevailing in Southern India.

In Lawrence Road, Delhi arrivals stood at 20,000 - 25,000 bags today and traded at Rs.945-950 per qtl. Combined arrivals at Narela/Najafgarh stood at 40,000 qtls and traded between Rs.880 - 890 per qtl.

Punjab is celebrating Baisakhi which marks the start of harvesting season in North India. In Uttar Pradesh state elections featured today's activity in many areas adjoining Delhi and accordingly arrivals were truncated in and around Uttar Pradesh. However, ITC's presence featured in the mandis of Hardoi, Shahjapur, Urai, etc.

In Hodal and Palwal (Haryana), total arrivals stood at 6,000 bags and prices were at Rs.860 - 865 per qtl.

Gujarat markets were truncated with reports of labour (mazdoor) strike. However, in Rajkot 8000 - 9000 bags arrival was reported and Ruchi Group was the most active buyer at Rs. 920 per quintal ex-mandi.

PRICE DRIVERS:

Bullish

1. Government decided to give a bonus of Rs.100/ql on MSP to induce farmers to sell to them.
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 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.

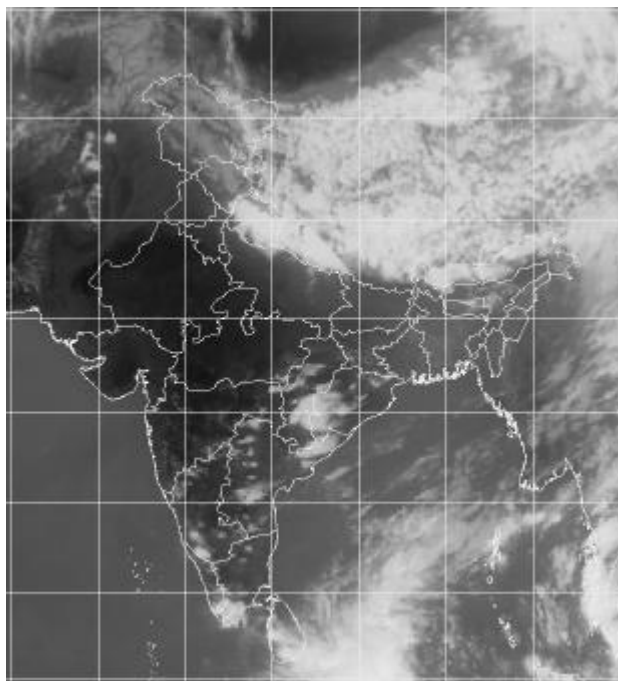
WEATHER:

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

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	13.04.07	12.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	950	950	-
Delhi (Narela)	Wheat (Loose)	880-890	880-890	-
Haryana (Palwal)	Wheat (Loose)	860-865	860-865	-
Rajasthan (Kota)	Wheat Mill quality	995-1000	985-990	+10
Uttar Pradesh (Kanpur)	Wheat Mill quality	955-960	965	-5
Madhya Pradesh (Indore)	Wheat Mill quality	960	955	+5
Uttar Pradesh (Bareilly)	Wheat Mill quality	920-925	915-920	+5

SATELLITE PICTURE OF MONSOON PROGRESS (13.04.07)



Monsoon Features (13.04.07)

During past 24 hours, light to moderate scattered rain/thundershowers have occurred over northeastern States and south Peninsula. The current meteorological analysis suggests that fairly widespread rain/thundershowers are likely over northeastern States with isolated heavy falls over Assam, Meghalaya, Nagaland, Manipur, Mizoram and Tripura during next 24 hours. With the likely weakening and eastwards movement of the trough, the ongoing rainfall activity over northeastern States is likely to decrease from tomorrow onwards.

Under the influence of a low pressure area presently lying over Sri Lanka and adjoining southwest Bay of Bengal, scattered rain/thundershower are likely over extreme south peninsula during 2-3 days.

Heat wave conditions prevailed over isolated pockets of Rajasthan and Haryana. With the likely clear sky conditions and gradual rise in day temperatures, heat wave conditions are likely to develop over some parts of northwest and adjoining central India during next 3-4 days.

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

- Mainly dry weather is likely over the North Western India.
- Gradual rise in day temperatures over the region.
- Heat wave conditions are likely over some parts of Haryana and West Uttar Pradesh during next 2-3 days.3 days.

Source: IMD (GOI)

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