

## WHEAT DAILY

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

### SPOT MARKETS:

Although the harvest and arrivals have been delayed, it seems the government is in a better position to mobilize procurement. While the market arrivals are likely to continue for the next two months private trade is now turning hesitant as the economics of buying from Punjab and Haryana do not favour them. Besides the high local levies and market expenses, freight from Punjab and Haryana to consuming centres is also high. This is rendering Punjab and Haryana wheat unviable at higher levels. As for Uttar Pradesh, private houses are not given permission yet to procure from the mandis. Hence right now it seems that odds are in favour of the government.

Continuing softening trend, wheat prices declined across the Board in Delhi, Punjab, Haryana and Uttar Pradesh. In Delhi prices were sharply lower at Rs.950-955 per qtl for Mill Delivery and Rs. 940-945 at Lawrence Road. While arrivals were around 15,000 bags, mostly mills were busy covering their requirements. Narela/Najafgarh prices ranged between Rs.850 - 900 per qtl with around 15,000 - 20,000 bags arrivals. In Faridabad District of Haryana, it is reported that government procurement agencies have bought today close to 500 tonnes, and private buyers bought around 3,000 tonnes at prices ranging from Rs. 835 - 870 per qtl with total arrivals in Haryana placed at 35,000 - 40,000 qtls.

Total arrivals in Uttar Pradesh mandis stood around 100,000 - 125,000 bags with prices in the range of Rs. 855 - 880 per quintal. Hardoi, Sitapur, Lakhimpur, Shajapur, Philibit and Mathura were the most active mandis. In Punjab arrivals are scanty at around 25,000 qtls with prices in the range of Rs. 860 - 895 per quintal. Local mills were active buyers.

### PRICE DRIVERS:

#### Bullish

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

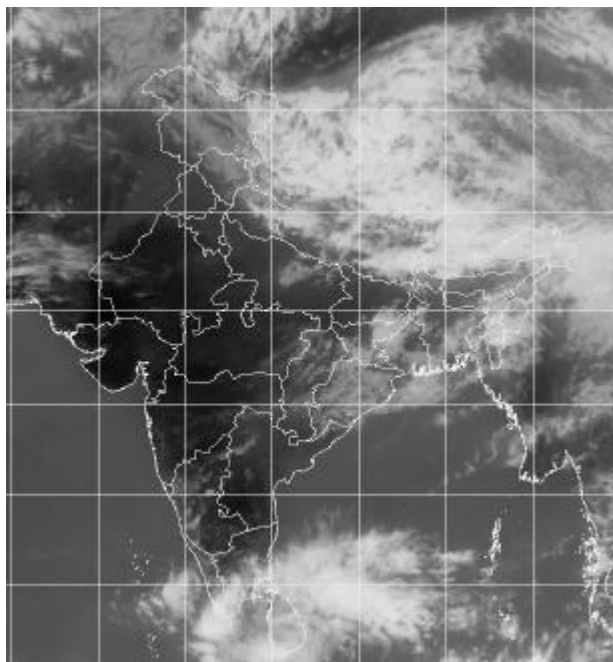
### WEATHER:

Standing wheat crop needs bright sunshine during maturity for lower moisture levels. Present weather is favourable for maturity of wheat, although in parts of western UP scattered rains are expected which might affect the harvesting process there.

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

Markets	Variety	09.04.07	07.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	940-945	975-990	-35
Delhi (Narela)	Wheat (Loose)	850-900	900-915	-15
Haryana (Palwal)	Wheat (Loose)	835-870	850-885	-15
Rajasthan (Kota)	Wheat Mill quality	975-980	985-990	-10
Uttar Pradesh (Kanpur)	Wheat Mill quality	975	970-975	-
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	950-955	-5
Uttar Pradesh (Bareilly)	Wheat Mill quality	915	930	-15

## SATELLITE PICTURE OF MONSOON PROGRESS (09.04.07)



### Monsoon Features (07.04.07)

- ✓ 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.
- ✓ Scattered rains expected in Western Uttar Pradesh

### 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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