

WHEAT DAILY

27th APRIL, 2007

SPOT MARKETS:

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

FCI along with other state agencies have procured lower amount of wheat around 67.2 lakh tonnes so far as on 26th April, 2007 as against 82.00 lakh tonnes during corresponding period of last year. The procurement declined by 18% so far. Lower arrivals are reported from Punjab and Haryana, the wheat bowl of India. However, traders are optimistic about good arrivals within short future. About 20.07 lakh Metric Tonnes of wheat has been purchased by six government agencies from Haryana so far as on 25th April at MSP of Rs. 850/mtl including bonus of Rs.100. HAFED had procured 7.56 lakh MTs of wheat, Food and Supplies Department procured 4.87 lakh MTs, Food Corporation of India 2.32 lakh MTs, Agro Industries Corporation 1.96 lakh MTs, Haryana Warehousing Corporation 1.81 lakh MTs of wheat and Confed 1.52 lakh MTs. The market saw around 22.21 lakh MTs of wheat arrivals this Rabi season so far. Traders purchased around 2.14 lakh MTs at the minimum support price. Around 2500 tonnes Pakistani wheat has reached Indian shores of Tuticorin on Wednesday and have been in the process of quality test. 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.

Total arrivals in Delhi markets stood down around 13,000 qtls and prices at Lawrence Road were quoted at Rs.945-950 per quintal (mill quality). Narela and Najafgarh markets experienced the arrivals of 10000 qtls and 7000 qtls with the prices of Rs.916-917 and Rs.875-900 respectively while Achnera market was closed. In Karavali, the arrivals were 3000 qtls with price Rs. 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 Qtls	Rs. 915-920 per qtl
Kosi	3000 Qtls	Rs. 855-860 per qtl
Hodal	2000 Qtls	Rs. 855-860 per qtl
Palwal	2000 Qtls	Rs. 860 per qtl
Hardoi		
Rajkot	5000 Qtls	Rs. 870-875 per qtl

PRICE DRIVERS:

Bullish:

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

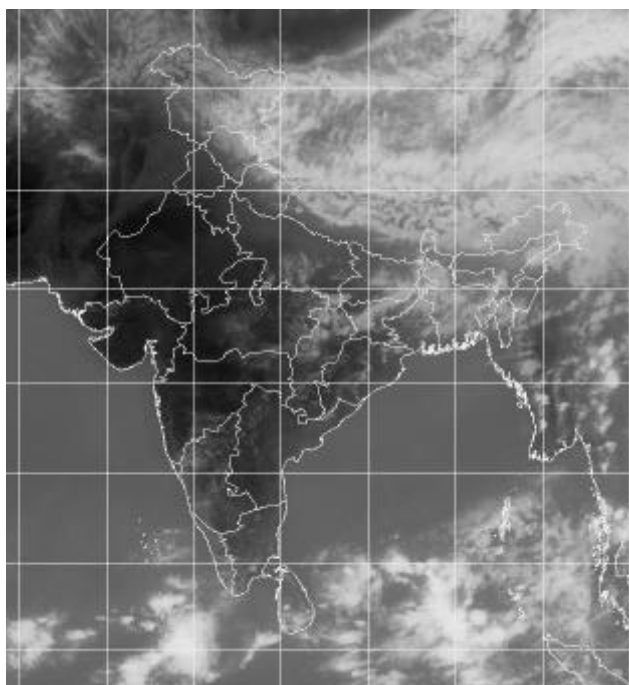
1. Fresh arrivals increasing with each passing day.
2. Increasing possibility of government meeting procurement targets.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

WEATUED.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	26.04.07	25.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	945-950	950-957	-7
Delhi (Narela)	Wheat Mill quality	916-917	Closed	-
Haryana (Palwal)	Wheat Mill quality	860	875-880	-20
Rajasthan (Kota)	Wheat Mill quality	961-966	965-970	-4
Uttar Pradesh (Kanpur)	Wheat Mill quality	945-950	945-950	-
Madhya Pradesh (Indore)	Wheat Mill quality	920-926	930-935	-9
Uttar Pradesh (Bareilly)	Wheat Mill quality	940-945	935-940	+5

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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