

WHEAT DAILY

05th APRIL, 2007

SPOT MARKETS:

Wheat sentiments at the spot remained almost steady to down on fresh arrivals amidst steady demand. The procurement by FCI has already started in major producing centers. Farmers of Punjab and Haryana have started bringing their crops in the different mandis of their respective state and quoted their crops higher side than Wheat MSP. The local millers are the active buyers. Different mandis of Punjab are witnessed around 15,000 bags of daily arrivals. Around 1,500 bags arrivals are reported from Khanna market and the prices remained 910-940/mtl on loose basis, Sunam mandi witnessed around 1,000 bags of fresh arrivals. Different mandis of Haryana witnessed around 20,000 bags of arrivals daily. Hodal mandi saw the arrivals around 7,000-8,000 bags and price quoted Rs.860-890/mtl. Price remained Rs.870-910/mtl in Palwal mandi on the back of fresh arrivals around 4,000 bags. Rajpura mandis witnessed 2,000 bags fresh arrivals and price quoted to Rs.910-915/mtl. According to trade sources some deal of 12 rake full of wheat has finalized and destined to Bangalore. Of the total amount Haryana, U.P and Punjab will supply around 8 rake and remaining part will supply by M.P. and Kota. Farmers are not showing interest to sell their crops to the FCI as private companies and agents spread out in the villages offering significantly higher prices for their produce than the government's procurement agencies.

PRICE DRIVERS:

Bullish:

1. Delay in wheat arrivals at different mandis of North West part of India
2. Govt. decided to give bonus of Rs.100/mtl on MSP
3. Private corporate houses actively purchasing wheat from Gujarat and Madhya Pradesh mandis.

Bearish:

1. Poor product demand all over India amidst Govt. decision to release 4 lakh tonnes of wheat through FCI
2. Wheat acreage increased to 281.782 Lh as on 01.02.07 as compared to 264.336 Lh during the same period of last year.
3. Fresh arrivals are increasing in Gujarat as well as M.P. mandis and has started in Punjab, Haryana and Rajasthan.
4. Govt. will very aggressive in increasing buffer stocks of wheat this season
5. Govt banned wheat export till 31 December, 2007
6. Govt. may consider to resume the wheat exports in case of bumper production
7. Govt thinking on ban on private companies procuring wheat in U.P.

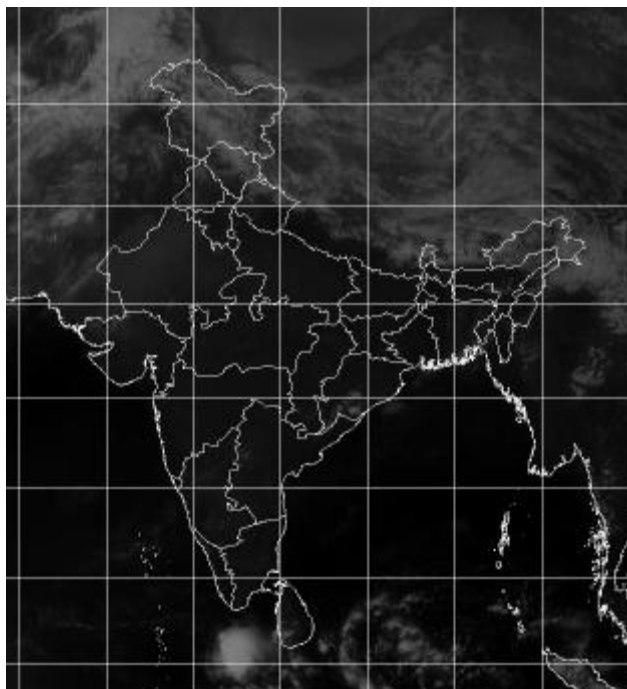
WEATHER:

Standing wheat crop needs bright sunshine in the maturity stage to reduce the moisture percentage. Some rainfall during the second fortnight of last month has delayed the crop harvesting in northwestern India. The rainfall during the second fortnight of last month has delayed the crop harvesting by nearly a week. The longer spell the crop takes to ripen better is the grain size and quality. Higher moisture content from fresh crops is reported. The allowed moisture percentage is around 12 for normal procurement.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	04.04.07	03.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1000	995-1000	-
Haryana (Karnal)	Wheat Mill quality	985-990	990	-
Punjab (Khanna)	Wheat Mill quality	1050-1060	1050-1060	-
Rajasthan (Kota)	Wheat Mill quality	955-960	945-950	+10
Uttar Pradesh (Kanpur)	Wheat Mill quality	965-970	975-980	-10
Madhya Pradesh (Indore)	Wheat Mill quality	970-975	965-970	+5
Uttar Pradesh (Bareilly)	Wheat Mill quality	910-915	920-925	-10

SATELLITE PICTURE OF MONSOON PROGRESS (04.04.07)



Monsoon Features (04.04.07)

- ✓ Light to moderate rain/thundershower occurred at a few places over Assam & Meghalaya, Arunachal Pradesh and Sub-Himalayan West Bengal & Sikkim. Chief amounts of rainfall recorded during past 24 hours (in cm.) are: Gangtok-6, Cherrapunji-3, Dibrugarh-2 and North Lakhimpur-1.
- ✓ Under the influence of north-south trough in westerlies at lower tropospheric levels, ongoing rain/thundershower activity over northeastern States is likely to continue during next 3-4 days.
- ✓ Numerical weather prediction models suggest gradual weakening of the prevailing northwesterly winds over Indo-Gangetic plains and adjoining central India. Consequently, day temperatures are likely to register a rising trend over the above region for next 3-4 days.

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

- ✓ Isolated to scattered rain/thundershowers are likely to continue over northeastern States.
- ✓ Increase in thunderstorm activity over south peninsula.

Source: IMD (GOI)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.