

## WHEAT DAILY

1<sup>st</sup> May, 2007

### SPOT MARKETS:

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

The Govt. agencies have procured around 73.80 Lakh Tonnes of wheat so far as on 27th April this year. The stocks of wheat in the Central Pool as on 31.3.2007 were 45.63 lakh tonnes. The Government has decided that action may be initiated by STC for import of one million tonnes of wheat by July, 2007. The import will safeguard in case of lower procurement. Global wheat market sentiments are remained firm. Uncertainty about Australia's wheat output this year added tight sentiments. Russian wheat is quoted much higher prices and the arrivals are yet to come in the markets. Further, the news that India is likely to import a handsome amount of wheat this year has added underlying bullish sentiments. The Canadian Wheat Board (CWB) is showing high interest to export wheat in India. The US govt. is also reportedly mounting pressure on Indian Govt to relax its imported wheat quality compliance standards. According to trade sources, Pakistan wheat is relatively better quality than the one India imports from Australia. IGC projected higher global wheat production by 32 Mln Tonnes to 623 Mln Tonnes in the year of 2007-08 About 3500 Tonnes of Pakistani wheat reached in Tuticorin and Mumbai port and are waiting for clearance. The container will be unloading after testing the phytosanitary and health clearance measures.

Total arrivals in Delhi markets stood up around 17,000 qtls and prices at Lawrence Road were quoted down by Rs.5 at Rs.940 per quintal ready delivery (truck loaded). Narela and Najafgarh markets experienced the arrivals of 5000 qtls each with the prices of Rs.911-916 and Rs.895-910 respectively on loose basis while Karavali experienced 2000 qtls of arrival with the price of Rs.860-870. In Achnera, the arrivals were 3000 qtls with price Rs. 880-900. 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	4500 Qtls	Rs. 920-925per qtl
Kosi	5000Qtls	Rs. 875 per qtl
Hodal	3000 Qtls	Rs. 860 per qtl
Palwal	1500-2000 Qtls	Rs. 870-880per qtl
Rajkot	5000 Qtls	Rs. 870-875 per qtl

### PRICE DRIVERS:

#### Bullish:

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

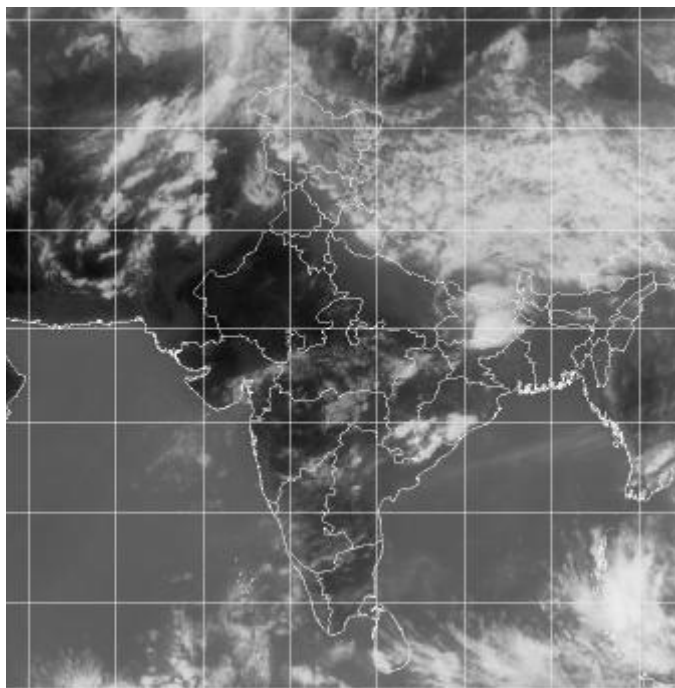
#### Bearish:

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

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

Markets	Variety	30.04.07	28.04.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	940	940-945	-5
Delhi (Narela) Loose	Wheat Mill quality	911-916	918	-2
Haryana (Palwal) Loose	Wheat Mill quality	870-880	875-880	-
Rajasthan (Kota)	Wheat Mill quality	975-980	976-982	-2
Uttar Pradesh (Kanpur)	Wheat Mill quality	945-950	950-955	-5
Madhya Pradesh (Indore)	Wheat Mill quality	926-933	925-931	+2
Uttar Pradesh (Bareilly)	Wheat Mill quality	945-950	937-942	+8

## SATELLITE PICTURE OF MONSOON PROGRESS (30.04.07)



### Monsoon Features (30.04.07)

- ✓ Heat wave conditions continued to prevail over some parts of Rajasthan, Punjab, Haryana, Delhi, West Madhya Pradesh and Vidarbha where the day temperatures were above normal by 4-6°C. Current meteorological analysis suggests possibility of dust storm/thunderstorm over plains of northwest India, Rajasthan and adjoining central India during next 2-3 days which may lead to temporary relief from the hot weather conditions over these regions. Isolated to scattered rain/thunderstorm activity will continue over east India during next 48 hours with increase thereafter. Consequently day temperatures are likely to remain below normal over the region. Under the influence of an upper air cyclonic circulation, a low pressure area is likely to form over south Andaman Sea by tomorrow causing enhanced rainfall with isolated heavy falls over Andaman & Nicobar Islands. The highest maximum temperature of 45.4°C was recorded at Hissar in Haryana and at Akola in Maharashtra during past 24 hrs.

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

- ✓ Gradual rise in day temperatures over northwest India.
- ✓ Decrease in rainfall activity from 4th over East India.

Source: IMD (GOI)

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