

WHEAT DAILY

04th APRIL, 2007

SPOT MARKETS:

Wheat sentiments at the spot remained almost steady on fresh arrivals amidst steady demand. Khanna mandi is very prominent grain markets in our country. There was very low arrival of crop and the mandi received 3-4 trolleys of grains since FCI started procurement from 1st April. According to the trade sources, the rainfall during the second fortnight of last month has delayed the crop harvesting by nearly a week. According to trade sources, private companies and agents are active in villages and are offering significantly higher prices for wheat than the government's procurement agencies. More than 1 lakhs bags of arrivals are reported from different mandis of Punjab. Price remained 900/qlt in Sunam mandis on the back of steady fresh arrivals around 6,000 bags daily as against the daily arrivals around 15,000 bags corresponding period of last year. Farmers in Punjab and Haryana are continuously pressurizing the Govt. to increase the bonus on wheat MSP further. According to the media sources the Centre may ban the wheat procurement by the private agencies during initial procurement period starting from 1st April in Punjab and Haryana. At Delhi, wheat dara for mills traded down further between Rs.995-1000/qlt on steady arrivals around 6,000-7,000 bags from U.P. and Rajasthan. The price of wheat products has also declined in the line of fresh arrivals. Total production is likely to be higher around 73 Mln Tonnes. Prominent private corporate are actively purchasing wheat crop from Madhya Pradesh mandis. Traders reported from Bhopal that Kargil purchasing wheat at Rs.1000/qlt. Private companies resume their purchasing from Rajkot mandis..The MNC's like AWB, Adarni, Kargil, Ruchi soya are active in the market yards.Near about a rake has been purchased by them so far. The total arrivals in Rajkot mandis remained 15,000 bags.

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/qlt 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.

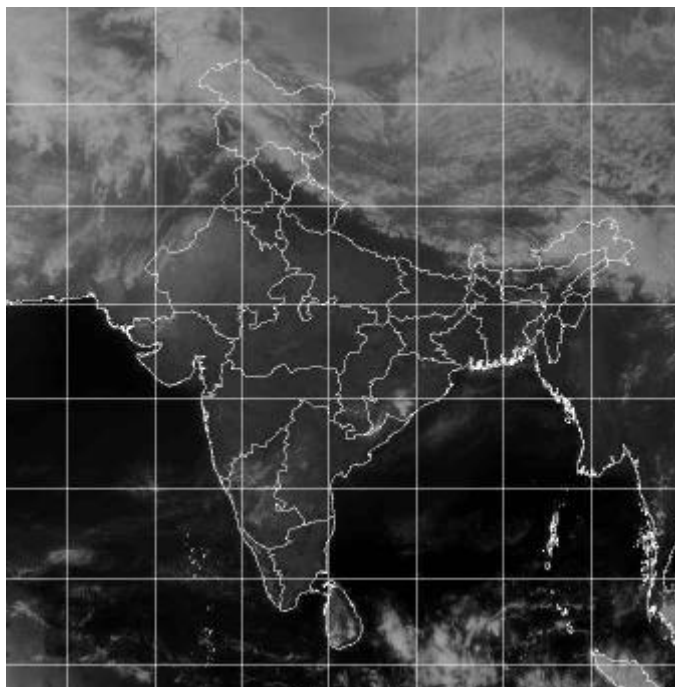
WEATHER:

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	03.04.07	02.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	995-1000	1000-1005	-5
Haryana (Karnal)	Wheat Mill quality	990	995-1000	-10
Punjab (Khanna)	Wheat Mill quality	1050-1060	1055-1060	-
Rajasthan (Kota)	Wheat Mill quality	945-950	935-940	+10
Uttar Pradesh (Kanpur)	Wheat Mill quality	975-980	990-995	-15
Madhya Pradesh (Indore)	Wheat Mill quality	965-970	950-955	+15
Uttar Pradesh (Bareilly)	Wheat Mill quality	920-925	930-935	-10

SATELLITE PICTURE OF MONSOON PROGRESS (03.04.07)



Monsoon Features (03.04.07)

- ✓ Light to moderate rain/thundershowers have occurred at a few places over northeastern States and Sub-Himalayan West Bengal & Sikkim during past 24 hrs. Chief amounts of rainfall (in cms.): North Lakhimpur-6, Dibrugarh-5, Tadong-4, Passighat-3, Tezpur-2 and Gangtok-2. The day temperatures have fallen by 2-4° C over the plains of northwest India during past 24 hrs. The current meteorological analysis suggests that strong northwesterly winds over northwest and adjoining central & east India are likely to continue during next 24 hours and weaken thereafter. Under this scenario, day temperatures are likely to fall during next 24 hours and slightly rise thereafter over these regions.

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

- ✓ Isolated to scattered rain/thundershowers are likely to continue over northeastern States.

Source: IMD (GOI)

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