

WHEAT DAILY

11th APRIL, 2007

SPOT MARKETS:

Markets in North India continued to witness increasing arrivals and consequently prices eased. Lawrence Road, Delhi received around 20,000 bags and prices stood at Rs.940-945 per qtl. Combined arrivals in Narela and Najafgarh were placed at 15,000 - 17,000 bags and prices were in the range of Rs.870 - 890 per qtl.

Total arrivals in Haryana were estimated at 50,000 bags, with Hodal/Palwal contributing 10,000 bags in the price range of Rs. 855 - 860 per quintal. Punjab mandis continue to witness sluggish activity, with Khanna mandi receiving 3000 qtls and prices were in the range of Rs.860 - 885 per qtl, whereas Jagraon mandi received 2500 qtls and prices stood at Rs.860 - 890 per qtl.

In Uttar Pradesh total arrivals were placed at around 150,000 bags, with prices in the range of Rs.850 - 875 per quintal. Mathura, Kosi, Karavli, Achnera, besides Hardoi, Sitapur, Lakhimpur, Shajapur and Philibit contributed towards arrivals.

In Ahmedabad, traders are expecting the prices to soften with arrivals picking up in Northern India. Hence only mills were active buyers and stockists turned sellers. Arrivals were placed at 45,000 bags with mill delivery price quoted at Rs.975 per quintal and mandi prices in Rajkot ranged between Rs.850 - 860 per qtl.

Looking at the trends now emerging, it appears prices will hover around Minimum Support Price (MSP) viz Rs. 850 per quintal. We are therefore inclined to believe that government agencies will have a smooth sailing as the arrivals pick up after the 15th April 2007.

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.

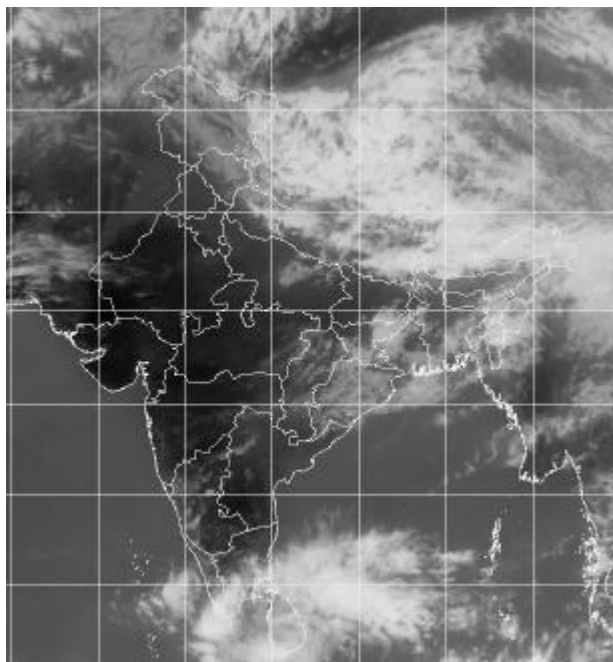
WEATHER:

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	10.04.07	09.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	940-945	940-945	-
Delhi (Narela)	Wheat (Loose)	870-890	850-900	-10
Haryana (Palwal)	Wheat (Loose)	855-860	835-870	-10
Rajasthan (Kota)	Wheat Mill quality	980	975-980	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	970-975	975	-
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	945-950	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	930	915	+15

SATELLITE PICTURE OF MONSOON PROGRESS (10.04.07)



Monsoon Features (10.04.07)

- ✓ 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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