

WHEAT DAILY

12th APRIL, 2007

SPOT MARKETS:

While most mandis across North India witness steady arrivals without much change over Tuesday, Rajasthan markets are enjoying increased activity due to private trading houses procuring wheat. The prices are ranging from Rs.870 to Rs.900 per quintal and farmers seem to be happy to sell their produce to corporates. Reportedly southern millers are getting their supply from Rajasthan.

Lawrence Road, Delhi received around 25,000 bags and prices stood at Rs.945-950 per qtl. Narela and Najafgarh markets remained closed on account of weekly holiday.

In Haryana, ITC was buying from Achnera and Karavli between Rs.870 - 880 per quintal. Combined arrivals in these two markets totaled 8,000 qtls, with total arrivals in Haryana estimated at 50,000 - 60,000 qtls. Punjab mandis continue to feature subdued activity, with Khanna and Jagraon mandi just receiving 5,000 qtls and total arrivals in Punjab estimated at 30,000 - 40,000 qtls.

In Uttar Pradesh, the State Government is ensuring that the wheat is not moving out to nearby Haryana/Delhi mandis, where it is fetching a better price. Hence prices are under pressure in Uttar Pradesh and if this situation continues, prices could start declining and government procurement may start soon. Total arrivals are estimated at 150,000 qtls and prices were in the range of Rs.860 to Rs. 890 per quintal. In Gujarat, mill delivery was traded at Rs.980 per qtl and Rajkot mandi prices were at Rs.880-885 per qtl. Corporate Houses were also active in Gujarat.

Reportedly a leading flour mill in Tamil Nadu has contracted for wheat in containers at US\$ 232 per MT C&F from Pakistan, besides Mumbai based importers have also contracted 4000 MT at US\$ 222 levels pmt C&F.

PRICE DRIVERS:

Bullish

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

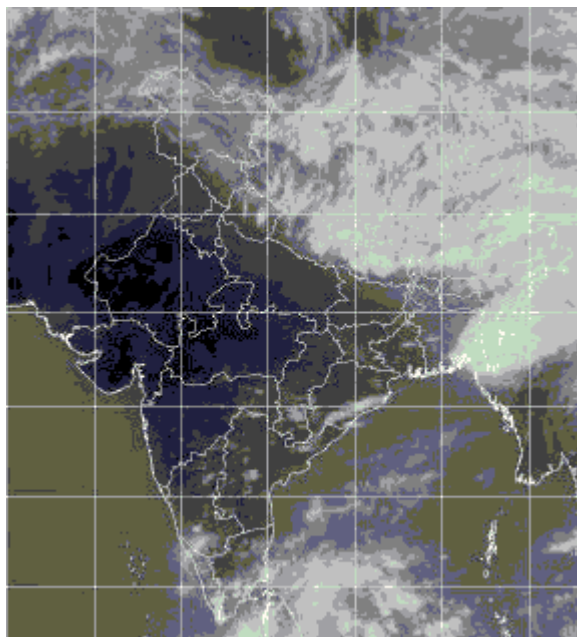
WEATHER:

Standing wheat crop needs bright sunshine during maturity for lower moisture levels. Current weather is supportive for maturing crop.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	11.04.07	10.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	945-950	940-945	+5
Delhi (Narela)	Wheat (Loose)	Weekly Off	870-890	-10
Haryana (Palwal)	Wheat (Loose)	850-855	855-860	-5
Rajasthan (Kota)	Wheat Mill quality	980-985	980	+5
Uttar Pradesh (Kanpur)	Wheat Mill quality	960-965	970-975	-10
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	945-950	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	925-930	930	-

SATELLITE PICTURE OF MONSOON PROGRESS (11.04.07)



Monsoon Features (11.04.07)

- ✓ Widespread rainfall with isolated heavy to very heavy falls has occurred over northeastern states during past 24 hours. Fairly widespread rainfall has also occurred over south Tamil Nadu & Kerala.
- ✓ Current meteorological analysis suggests that fairly widespread rain/thundershowers with isolated heavy to very heavy falls are likely over northeastern States during next 48 hours and decrease thereafter.
- ✓ A low-pressure area lies over Gulf of Mannar and neighbourhood. Under its influence, fairly widespread rain/thundershower with isolated heavy falls are likely over south Tamil Nadu and Kerala during next 48 hours and decrease thereafter.
- ✓ Heat wave conditions have developed over some parts of Rajasthan and likely to continue and extend into some more parts of Rajasthan, Haryana, West Uttar Pradesh West Madhya Pradesh during next 2-3 days.

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

- Mainly dry weather is likely over the North Western India.
- Gradual rise in day temperatures over the region.
- Heat wave conditions are likely over some parts of Haryana and West Uttar Pradesh during next 2-3 days.

Source: IMD (GOI)

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