

WHEAT DAILY

09th APRIL, 2007

SPOT MARKETS:

Wheat prices reflected softening trend across the mandis in Uttar Pradesh, Delhi and Haryana, as the arrivals are picking up. Although the weather towards weekend turned cloudy in Delhi and Haryana, to the discomfort of farmers and government, arrivals are gaining pace. Total arrivals in Uttar Pradesh was over 100,000 qtls, with Hardoi, Sitapur, Lakhimpur, Shajapur, Philibit and Mathura contributing 10,000 - 15,000 qtls each and prices ranged from Rs. 850 to Rs. 900 per qtl. In Delhi, Lawrence Road 22,000 to 23,000 bags arrivals were reported with prices ranging from Rs. 975 to Rs. 990 per qtl (mill quality). Product demand in Delhi continued to be steady. In Haryana arrivals increased to 28,000-30,000 qtl and prices range between Rs 850-885 per quintal.

In Samana in Punjab, Reliance has reportedly contracted entire produce of a village at Rs.870 per qtl. In Rajkot Mandi private traders including Cargill and Ruchi are covering at Rs. 890-900 per qtl ex-market yard and mill rate is quoted at Rs.980 per quintal. Arrivals in Rajkot placed at 15,000 - 17,000 bags. In the upcountry market in Bangalore (South India) rates are quoted nominally at Rs.1150 per qtl, with little demand.

Thus the markets featured increasing arrivals and consequently prices eased. According to market observers, private traders are not in a hurry to buy now looking at the comfortable crop situation and further the early crop is high in moisture and not fit for storage.

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.

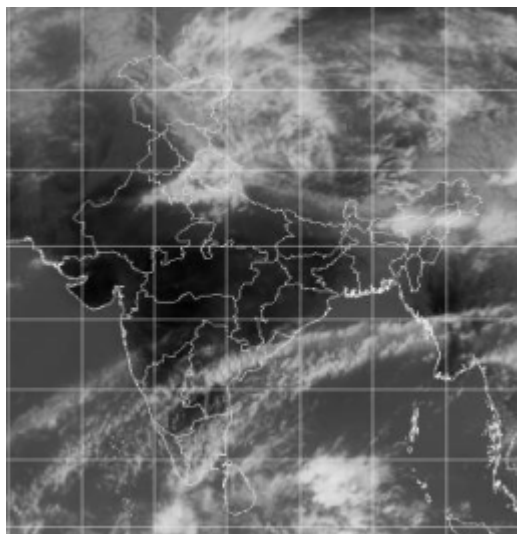
WEATHER:

Standing wheat crop needs bright sunshine during maturity for lower moisture levels. Some rainfall during the second fortnight of last month has delayed the crop in northwestern India. Present weather is favourable for maturity, 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	07.04.07	06.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	975-990	990-995	-5
Delhi (Narella)	Wheat (Loose)	900-915	960	-45
Haryana (Palwal)	Wheat (Loose)	850-885	870-875	-
Rajasthan (Kota)	Wheat Mill quality	985-990	990	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	970-975	970-975	-
Madhya Pradesh (Indore)	Wheat Mill quality	950-955	960-965	-10
Uttar Pradesh (Bareilly)	Wheat Mill quality	930	925-630	-

SATELLITE PICTURE OF MONSOON PROGRESS (06.04.07)



Monsoon Features (07.04.07)

- ✓ 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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