

WHEAT DAILY

03rd 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. This mandi witnessed around about 11-12 lakh metric tonnes of wheat crop season. Lack of buying is reported from Govt. side at Khanna mandis. There was very low arrival of crop and the mandi received 2-3 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. The longer spell the crop takes to ripen better is the grain size and quality. Higher moisture content from fresh crops is also reported. The allowed moisture percentage is around 12. Punjab mandis saw weak sentiments on the eve of starting fresh arrivals. 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 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. However, farmers are seen interesting to sell their crops to the private agencies because of higher prices. According to trade sources, private companies offering to higher prices around Rs.1000/qlt. However, there is no formal ban from the Govt. side on private traders for buying wheat from farmers in any parts of the country. Under the Essential Commodities Act, private traders should need to unfold details about their stock position if they purchase more than 50,000 tonnes of wheat in a year. At Delhi, wheat dara for mills traded down further between Rs.1000-1005/qlt on steady arrivals around 6,000-7,000 bags from Madhya Pradesh. The price of wheat products has also declined. 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. According to the trade sources they have purchased around 50,000-55,000 bags so far.

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.

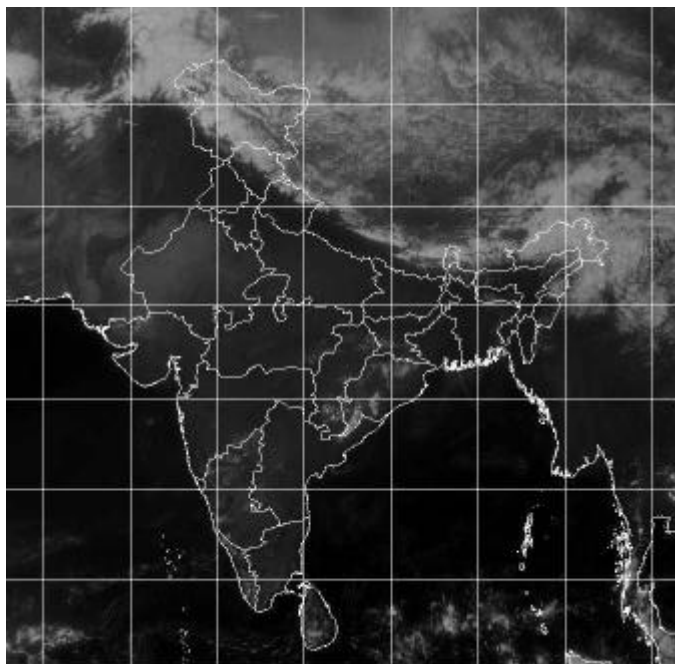
WEATHER:

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.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	02.04.07	31.03.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1000-1005	995-1000	+5
Haryana (Karnal)	Wheat Mill quality	995-1000	995-1000	-
Punjab (Khanna)	Wheat Mill quality	1055-1060	Closed	-
Rajasthan (Kota)	Wheat Mill quality	935-940	916-922	+18
Uttar Pradesh (Kanpur)	Wheat Mill quality	990-995	Closed	-
Madhya Pradesh (Indore)	Wheat Mill quality	950-955	Closed	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	930-935	Closed	-

SATELLITE PICTURE OF MONSOON PROGRESS (02.04.07)



Monsoon Features (02.04.07)

- ✓ Heat wave conditions have abated from Rajasthan, Haryana, Delhi, north Maharashtra, East Uttar Pradesh and north Madhya Pradesh. The current meteorological analysis suggests that strong northwesterly winds are likely to prevail over many parts of northwest, Central and east India. Consequently day temperatures are likely to fall by 2-3° C over the above regions during next 48 hours. Under the influence of a north-south trough extending from Sub-Himalayan West Bengal & Sikkim to north Bay of Bengal, northeastern states are likely to experience scattered rain/thundershowers during 4-5 days.

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

- ✓ Isolated to scattered rain/thundershowers are likely to continue over northeastern States.
- ✓ Rise in day temperature over plains of northwest India.

Source: IMD (GOI)

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