

WHEAT DAILY

4th May, 2007

SPOT MARKETS:

Punjab & Haryana Contribute for Procurement - Private Trade Active in Other Centres

The Govt. agencies have procured around 8 Mln Tonnes of wheat so far as on 30.04.07. The amount is lower as against the procurement of 8.8 Mln Tonnes during corresponding period of last year. The procurement is still lower than previous year by 9%. The wheat arrivals are remained slow in Khanna mandis, the largest grain market in Asia. The mandi arrivals are reportedly 7000-8000 bags per day. The mandi saw a total arrivals around 5 Lakh Metric Tonnes so far as on 01.05.07, that is much lower as compared to last year's arrivals around 8 Lakh Metric Tonnes. Some of the mandi in Punjab observed meager arrivals. However, the mandis located in the south-western parts of Punjab witnessed some arrivals. Local flour millers are actively purchasing wheat from Ludhiana and Khanna mandis and that leads to increase in prices to between Rs.880-890/ql. The flour millers are offering Rs.885-890/ql for wheat in Khanna mandis. Big farmers from Punjab are hoarding wheat in order to get handsome profit in coming months. According to trade sources, they are supposed to release their stocks during July-August.

Total arrivals in Delhi markets stood steady around 35,000 qtls and prices at Lawrence Road were quoted down at Rs.945 per quintal with arrivals of 13000 qtls for ready delivery (truck loaded). Narela and Najafgarh markets experienced the arrivals of 13000 qtls and 9000 qtls respectively with the prices of Rs.910 and Rs.900 respectively on loose basis while Karavali experienced 5000 qtls of arrival with the price of Rs.880. Achnera market was closed on Thursday. ITC and Godrej were active in these markets. Glencore, for instance, is buying largely from Gujarat, while Cargill and Ruchi are sourcing from the Bundi-Kota belt of Rajasthan. AWB is similarly focussed on Gujarat and MP.

Following was the status in other mandis, with active millers and private trade buying:

Mathura	7000 Qtls	Rs. 900 per qtl
Kosi	3500 Qtls	Rs. 860-882 per qtl
Hodal	2000 Qtls	Rs. 870 per qtl
Palwal	2000 Qtls	Rs. 870-875 per qtl
Rajkot	5000 Qtls	Rs. 870-875 per qtl

PRICE DRIVERS:

Bullish:

1. Government decided to give a bonus of Rs.100/ql on MSP to induce farmers to sell to them taking the MSP together with bonus to Rs.850 per quintal.
2. Private trade actively purchasing wheat from Gujarat, Rajasthan and Madhya Pradesh mandis

Bearish:

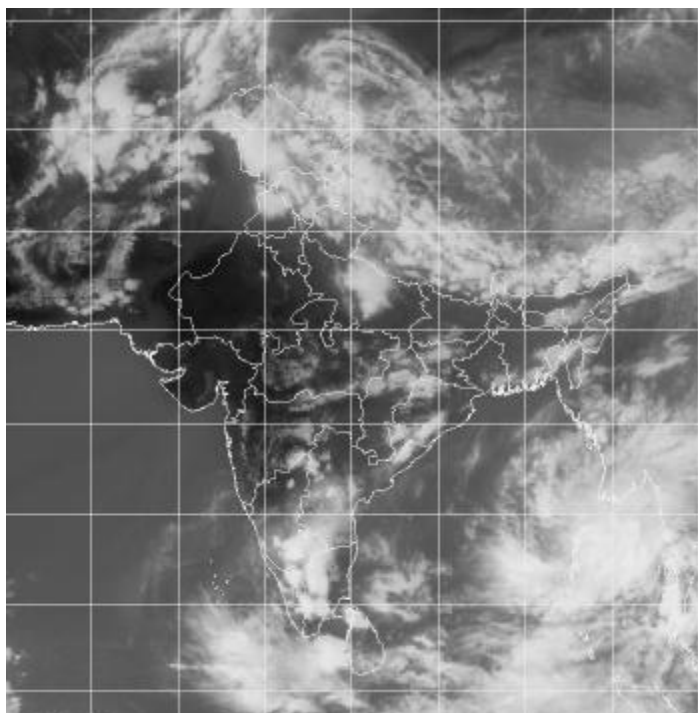
1. Fresh arrivals increasing with each passing day.
2. Increasing possibility of government meeting procurement targets.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

WEATHER:

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	03.05.07	02.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	945	950	-5
Delhi (Narela) Loose	Wheat Mill quality	910	910-915	-5
Haryana (Palwal) Loose	Wheat Mill quality	870-875	870	+5
Rajasthan (Kota)	Wheat Mill quality	983-988	988-993	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	945-950	942-947	+3
Madhya Pradesh (Indore)	Wheat Mill quality	940-945	932-937	+8
Uttar Pradesh (Bareilly)	Wheat Mill quality	947-952	947-952	-

SATELLITE PICTURE OF MONSOON PROGRESS (03.05.07)



Monsoon Features (03.05.07)

- ✓ The well marked low pressure area over north Andaman Sea and neighbourhood persists. It is likely to concentrate into a depression. Under its influence, widespread rainfall with isolated heavy to very heavy falls are likely over Andaman & Nicobar Islands during next 48 hrs. Squally winds with speed reaching 40-50 kmph is also likely over Andaman & Nicobar Islands during next 48 hrs. The current meteorological analysis suggests scattered rain/thunderstorm activity over Western Himalayan Region and isolated over adjoining plains of northwest India and Uttar Pradesh during next 36 hours. However, day temperatures are likely to increase considerably over plains of northwest India during next 3-4 days.

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

- ✓ Decrease in rainfall activity over Andaman & Nicobar Islands.
- ✓ Scattered rain/thundershowers are likely over East India and northeastern states.

Source: IMD (GOI)

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