

## WHEAT DAILY

12<sup>th</sup> May, 2007

### SPOT MARKETS:

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

Wheat procurement by Govt is stood at per with last year purchase around 9.15 Mln Tonnes so far as on 10.05.07 as compared to 9.16 Mln Tonnes during same period of last year. The procurements are higher in the states of Haryana, Uttar Pradesh, Madhya Pradesh and Rajasthan as compared to last year. However, in Punjab it is much lower around 6.03 Mln Tonnes so far as against about 6.90 Mln Tonnes during same period of last year. Despite a 4 Mln Tonnes projected increase in output the total procurement is still weak as farmers are hoarding wheat in anticipation of a further rise in its prices. Arrivals across the country are stood down around 12.47 Mln Tonnes compared with 12.82 Mln Tonnes a year ago. However, procurement expected to increase in the coming days because of psychological pressure of imports mounted by the government to ensure better market arrivals. Therefore, farmers with small and medium holdings are expected to release their holding stocks in the coming days. Government of India extended the wheat import tender up to 1.0 Mln Tonnes by May 21 and offers should be valid till around May 30. The companies like ITC Ltd., Cargill India Pvt. Ltd. and AWB India Pvt. Ltd purchased over 50,000 tonnes of wheat each. ITC reportedly purchased around 261,007 tonnes wheat till May 4, Cargill had bought around 170,880 tonnes wheat till May 3, while AWB purchased around 69,010 tonnes of the food grain till Apr 27. Private companies reportedly imported 9.37Lakh Tonnes of wheat at zero duty till 3rd May this year.

Total arrivals in Delhi markets stood down around 30,000qtls and prices at Lawrence Road were quoted steady at Rs. 940 per quintal with arrivals about 8000 qtls for ready delivery (truck loaded). At Narela and Najafgarh markets the price remains 900-905/ qtl, 872-880/ qtl respectively (loose basis) on the back of arrivals 10,000qtls and 8000qtls respectively. Karavali market is closed. Achnera market saw the price at Rs.880-910 on the back of arrivals 2000 qtls.

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

Mathura	Closed	
Kosi	4000 Qtls	Rs. 860-875 per qtl
Hodal	2000 Qtls	Rs. 855-860per qtl
Palwal	4000 Qtls	Rs. 865-870 per qtl
Rajkot	5000 Qtls	Rs. 870-875 per qtl

### PRICE DRIVERS:

#### Bullish:

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

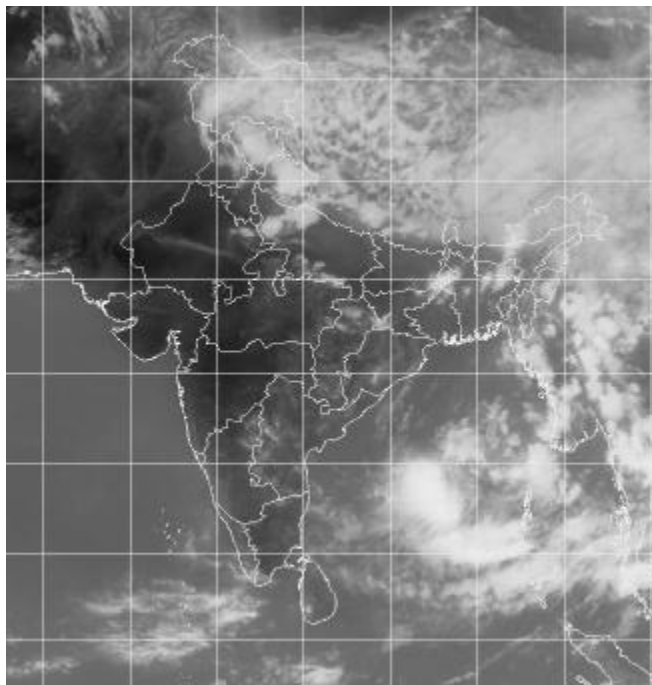
#### Bearish:

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

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	11.05.07	10.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	940	940	-
Delhi (Narela) Loose	Wheat Mill quality	900-905	880-900	+5
Haryana (Palwal) Loose	Wheat Mill quality	865-870	860-870	-
Rajasthan (Kota)	Wheat Mill quality	968-973	968-973	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	955-960	955-960	-
Madhya Pradesh (Indore)	Wheat Mill quality	915-920	915-920	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	940-945	940-945	-

## SATELLITE PICTURE OF MONSOON PROGRESS (11.05.07)



### Monsoon watch

- ✓ Southwest monsoon has further advanced into some more parts of southeast Bay of Bengal and Andaman Sea. The northern limit of monsoon passes through Lat. 5.0° N /Long. 86.0° E, Lat. 11.0° N /Long. 90.0° E, Maya Bandar, Lat. 14.0° N /Long. 97.0° E.

### Chief Features (11.05.07)

- ✓ The low pressure area over east central Bay of Bengal and neighbourhood is likely to become more marked and may concentrate into a depression by 13th. Current meteorological analysis suggests fairly widespread rainfall with isolated heavy falls is likely to continue over Andaman Nicobar Islands and northeastern states during next 2-3 days. Prevailing heat wave conditions over south Coastal Andhra Pradesh, north coastal Tamil Nadu and Vidarbha & isolated pockets of Madhya Pradesh and Rajasthan are likely to continue during next 48 hours.

### Warning

- ✓ Isolated thunder squall is likely over Jammu division of Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Delhi, Chandigarh and Uttar Pradesh. Isolated heavy rainfall is likely over Andaman & Nicobar Islands and northeastern States.

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

- ✓ Fairly widespread rainfall activity is likely over northeastern states and Andaman & Nicobar Islands.

Source: IMD (GOI)

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