

WHEAT DAILY

25th May, 2007

SPOT MARKETS:

Punja, Haryana, U.P. and Rajasthan Contribute for Procurement - Private Trade Active in Other Centres

Wheat procurement by Government surpasses last year procurement and stood around 10.57 Mln Tonnes including 6 lakh tonnes procured by state government of Punjab so far as on May 23. The Centre had bought a total of 9.22 Mln Tonnes of the food grain last year. The procurement is still short of the targeted 15 Mln Tonnes despite a 4 Mln Tonnes projected increase in output. The trend is showing that Govt. will be able to procure around 12 Mln Tonnes of the food grain this year. The procurement of Punjab is still lower whereas, in Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year. FCI is likely to stop wheat procurement in Punjab and Haryana by the month-end and in other states, barring Bihar, by June-end. In Bihar, the procurement will continue till Jul 15. The government usually stops its wheat procurement by May-end. Arrivals across the country so far stood at 13.70 Mln Tonnes compared with 13.36 Mln Tonnes a year ago. Pakistan Government has suspended the export of wheat from the country because of sudden hike in local wheat prices on hoarding interest of traders. However, it is not a full ban on the wheat export.

Total arrivals in Delhi markets stood steady around 30,000 qtls and prices at Lawrence Road were quoted steady at Rs. 915 per quintal with arrivals about 15000 qtls for ready delivery (truck loaded). Local flour millers and ITC are active in the markets. At Narela and Najafgarh markets the price remains 888-895/ qtl, and 870-875/ qtl respectively (loose basis) on the back of arrivals 7000 qtls and 4000 qtls respectively. Karavali market witnessed arrivals around 3000 qtls and price remained Rs.850-860/ qtl. At Achnera market wheat trades at Rs.875 /qtl on the back of arrivals around 3000 qtls

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

Mathura	4000 Qtls	Rs.860-862 per qtl
Kosi	2000 Qtls	Rs. 850-851 per qtl
Hodal	4000 Qtls	Rs. 850 per qtl
Palwal	3000 Qtls	Rs. 850 per qtl
Rajkot	4000 Qtls	Rs. 870-875 per qtl

PRICE DRIVERS:

Bullish:

1. State Trading Corporation had floated a tender for importing 1 million tonne of wheat.
2. Private trade actively purchasing wheat from Gujarat, Rajasthan and Madhya Pradesh mandis

Bearish:

1. Fresh arrivals increasing with each passing day.
2. Wheat stocks in central pool has increased by 30.3% to 11.6 Mln Tonnes as on 1st May this year.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

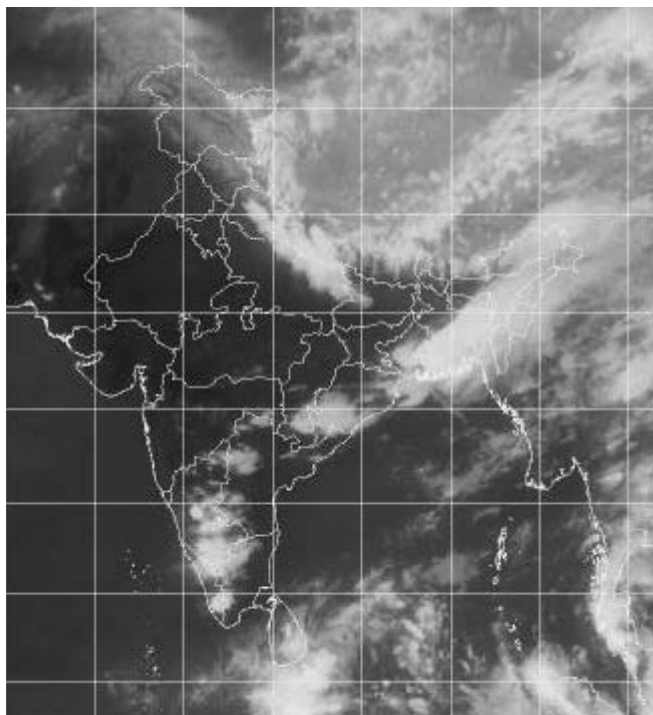
WEATHER:

Weather has no impact as harvesting is over

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	23.05.07	24.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	915	915	-
Delhi (Narela) Loose	Wheat Mill quality	Closed	888-895	-
Haryana (Palwal) Loose	Wheat Mill quality	850	850	-
Rajasthan (Kota)	Wheat Mill quality	953-958	952-957	-1
Uttar Pradesh (Kanpur)	Wheat Mill quality	940-945	950-955	+10
Madhya Pradesh (Indore)	Wheat Mill quality	905-910	900-903	-7
Uttar Pradesh (Bareilly)	Wheat Mill quality	925-930	925-930	-

SATELLITE PICTURE OF MONSOON PROGRESS (24.05.07)



Monsoon watch

- ✓ The predictors for this year suggest an early monsoon onset over Kerala. The forecast Model Suggests that the monsoon onset over Kerala is likely to be on 24th May 2007 with a model error of ± 3 days.

Chief Features (24.05.07)

- ✓ Fairly widespread rainfall with isolated heavy to very heavy falls have occurred over Assam & Meghalaya and Arunachal Pradesh during past 24 hours. Chief amounts of rainfall (cm) are: Cherrapunji-53, North Lakhimpur-10, Passighat-9, Silchar-5. The current meteorological analysis suggest fairly widespread rainfall is likely over northeastern States during next 24 hours and scattered thereafter. The prevailing meteorological conditions indicate rise in day temperature over the plains of northwest India during next 48 hours and fall thereafter. The heat wave conditions continued to prevail over parts of Coastal Andhra Pradesh. They are likely to abate during next 1-2 days. Highest maximum temperature of 45.0°C was recorded at Vijayawada (Andhra Pradesh) during past 24 hrs.

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely Bihar, Jharkhand, Orissa, West Bengal & Sikkim.

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

- ✓ Scattered rainfall activity over northeastern States.
- ✓ Increase in rainfall activity along west coast.

Source: IMD (GOI)

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