

■ W H E A T

■ June 14, 2007

Domestic Market Recap**Punjab, Haryana, U.P. and Rajasthan Contribute for Procurement**

In Wednesday's trading, most of the major markets witnessed steady to down in wheat prices against a lower supply. Total arrivals in Delhi (Lawrence Road) decrease to 12,000 qtls and prices remain steady to down between Rs 940-945 per quintal on improved demand from local floor millers. Narela and Najafgarh markets are closed. Karavali market witnessed arrivals around 1200qtls and price remain Rs.865-870/qlt. Achnera market saw the arrivals around 1000qtls and price remains 880-885/qlt.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qlt)		Change	Arrivals (Qtls)
		13.06.07	12.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	940-945	945	-	12,000
Delhi (Narela) Loose	Mill quality	Closed	902-908	-	-
Haryana (Palwal) Loose	Mill quality	865	868-870	-5	1000
Uttar Pradesh (Mathura) Loose	Mill quality	880	880	-	2500
Uttar Pradesh (Kosi) Loose	Mill quality	880	873-875	+5	2000
Haryana (Hodal) Loose	Mill quality	875	870-875	-	1000
Gujarat (Rajkot) Loose	Mill quality	865	865	-	1000
Rajasthan (Kota)	Mill quality	962-967	965-970	-3	
Uttar Pradesh (Kanpur)	Mill quality	965-970	962-967	+3	
Madhya Pradesh (Indore)	Mill quality	940-945	941-946	-1	
Uttar Pradesh (Bareilly)	Mill quality	955-960	950-955	+5	

International Futures Quotes (as of June 12, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	559.00	576.00	554.50	565.00	+9.00
September 2007	572.00	590.50	569.50	580.25	+8.50
December 2007	587.00	601.00	581.50	593.50	+9.75

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	556.00	571.00	550.00	559.00	+10.50
September 2007	569.00	582.00	562.00	573.00	+10.75
December 2007	585.00	596.00	577.00	586.25	+8.25

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International Market Recap**CBOT Wheat Futures Settled Up**

CBOT wheat futures tested new contract month's high Tuesday on follow-through technical buying. July wheat settled 9 cents higher at \$5.65 per bushel. This was 11 off the high and 10.5 up from the low. December Wheat closed up 9.75 cents at 5.935 per bushel. This was 12 up from the low and 7.5 off the high. The forecast for more heavy rains in the central and southern plains provided support. The fear of continued poor weather in the US and/or Ukraine could tighten both world and US ending stocks further helped support. Spring wheat showed 81% was rated good/excellent, down 4% from last week. Recent dry weather helped improve Ohio conditions while wet weather and storms have hit the Oklahoma ratings just ahead of harvest. Only 5% of the US winter wheat crop is harvested as compared with 10% as the 5-year average.

News Analysis**Govt. Wheat Procurement has Increased to 10.8 Mln Tonnes so far**

Wheat procurement by Government surpasses last year procurement and stood around 10.80 million tonnes so far as on June 11. The trend is showing that Govt. will be able to procure around 12 million tonnes of the food grain this year. Presently, around 10,000 Tonnes wheat are procured daily from the farmers as against 1000 Tonnes in the year ago period. However, the procurement is seen decreasing as compared to last month of 90,000-100,000 tonnes during May-end. Arrivals are remained strong around 45,000 tonnes wheat is still arriving in mandis this year as against the last year's arrivals of 20,000 tonnes. The news of India's floating wheat import tenders had motivated farmers to bring to the market their produce that was earlier being held back. Government is still buying around 30,000-35,000 tonnes of wheat daily. The government has extended wheat procurement in Punjab and Haryana by 15 days until Jun 15 and it will continue in other states till June end as progressive procurement is remained strong. The government usually wraps up wheat procurement operations by May 31 but may consider extending the procurement season further this year if the states ask for it. The procurement of Punjab is still lower whereas, in Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year. In Punjab, wheat procurement, till date, is lagging at 6.57 Mln Tonnes, down 5.3% from 6.94 Mln Tonnes a year ago period.

MMTC Ltd. Extended Shipment Period for Wheat Import Tender

MMTC Ltd. has extended the shipment period for its wheat import tender of 50,000 tonnes to August-September instead of July -August. The organization might be looking for the Australian crop arrival (which is reportedly delayed) for getting wheat at competitive price. Other terms and conditions remain unchanged. The tender is set to close on June 19 and the bids are valid till June 29.

Weather Impact Analysis

Harvesting of wheat is complete in the country. So weather is not a major concern. However, heavy rains may affect the government procurement activity.

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