

■ W H E A T

■ June 29, 2007

Domestic Market Recap

In Thursday's trading, most of the major markets witnessed steady to up in wheat prices amidst some demand from local flour millers. Total arrivals in Delhi (Lawrence Road) turned down at 17,000 qtls and prices quoted steady to marginally down at Rs. 970 per quintals. At Narela and Najafgarh markets the price remains around 942-950/qrtl, and 930/qrtl respectively (loose basis) on the back of arrivals around 4000 qtl each. Karavali market witnessed arrivals around 150qtls and price remained up between Rs. 897-900/qrtl. Achnera market is closed.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		28.06.07	27.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	970	970-972	-2	17,000
Delhi (Narela) Loose	Mill quality	942-950	Closed	-	2500
Haryana (Palwal) Loose	Mill quality	894	893	+1	1200
Uttar Pradesh (Mathura) Loose	Mill quality	908	900	+8	2000
Uttar Pradesh (Kosi) Loose	Mill quality	900	903-906	-6	1200
Haryana (Hodal) Loose	Mill quality	905	905	-	500
Gujarat (Rajkot) Loose	Mill quality	915	910	+5	
Rajasthan (Kota)	Mill quality	1012-1017	1003-1008	+9	
Uttar Pradesh (Kanpur)	Mill quality	980-985	972-978	+7	
Madhya Pradesh (Indore)	Mill quality	970-976	975-980	-4	
Uttar Pradesh (Bareilly)	Mill quality	975-980	965-970	+10	

International Futures Quotes (as of June 27, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	614.00	625.00	598.00	606.00	-2.50
September 2007	628.00	640.00	612.00	621.50	-4.50
December 2007	637.00	646.00	621.00	628.50	-5.50

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	601.00	604.00	583.50	589.00	+0.50
September 2007	610.00	614.50	594.00	602.50	+4.50
December 2007	622.00	630.00	609.00	616.25	+4.00

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International Market Recap**CBOT Wheat Futures Finished Down**

CBOT wheat futures closed down Wednesday. July wheat settled 2.5 cents lower at \$6.06 per bushel. September Wheat finished down 4.5 cents at \$6.215 per bushel. Before trimming gains, CBOT July wheat set a fresh 11-year high for a front-month contract of \$6.25 per bushel, exceeding the previous high of \$6.185 per bushel. Weakness in the other grains and ideas that the current wet weather in the southern plains has already been "priced in" in recent days helped limit the buying support. Rains into Kansas added to the bullish tone overnight as harvest will be disrupted again. Egypt bought 115,000 tonnes of wheat at their overnight tender including 55,000 tonnes of US soft red winter wheat and some from Russia. India is tendering for 1 million tonnes of wheat but US grain traders believe that it is unlikely that US companies will offer wheat for the tender.

News Analysis**India has Issued 1 Mln Tonnes Wheat Import Tender**

India has issued a wheat tender to import of 1 million tonnes of the food grain. The bids would open on July 4 and would be valid until July 10. Shipments would be made between August and November. The quality specifications remained same as in previous tenders. Earlier in the month of May an identical amount of wheat tender was cancelled due to higher global prices. However, global wheat price has increased steadily in the recent period. Wheat futures at the Chicago Board of Trade are tested 11-years high and remained at around \$6 per bushel, up more than 28 percent against three to four weeks ago. Presently, India has to pay around \$300 per tonne for the grain that is much higher from the bids of around \$263 per tonne received in the earlier tender. However, market sources are optimistic that India won't buy the entire amount on higher international prices of the commodity. However, Australia's wheat crop likely to harvest in the month between October November of this year. Therefore, some possibility of relaxation in prices at that time can not be ruled out.

Ten Agencies Steadily Procuring Wheat from the Country

There are ten agencies procuring wheat during 2007-08 rabi marketing season. The agencies are FCI, NAFED, St. Govt., C.S.C., CO-OP, CONFED, AGRO, SWC, SFC, USS. Among the agencies CO-OP has procured largest amount around 302,863,9 tonnes so far as on 20.06.07. The other agencies have procured like, St. Govt. 220,666,6 tonnes, CSC 156,282,4 tonnes, FCI 153,486,3 tonnes, AGRO 113,324,4 tonnes, SWC 107,043,4 tonnes, CONFED 266,574 tonnes, NAFED 186,769 tonnes, USS 35181 tonnes, SFC 33296 tonnes, in descending order. SFC and USS have procured wheat only from Uttar Pradesh. CONFED only from Haryana and CSC from Punjab. FCI procures wheat from Punjab, Haryana, U.P., M.P., Bihar, Rajasthan, Uttarkhand and Delhi. Wheat procurement from Bihar and Delhi increase to 5024 tonnes and 873 tonnes as against 984 tonnes and 846 tonnes last week respectively. There was no procurement of wheat by government agencies from the states during last year. St. Govt. has purchased its maximum quantity around 127,464,9 tonnes from Punjab followed by 813,724 tonnes from Haryana. CO-OP has procured its largest amount around 166,402,7 from Punjab followed by 128,915,8 tonnes from Haryana. NAFED has procured its largest amount around 138,009 tonnes from U.P. so far as on above mention date., heavy rains may affect the government procurement activity.

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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