

■ W H E A T

■ June 27, 2007

Domestic Market Recap

In Tuesday'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) remained up at 15,600 qtls and prices quoted flat at Rs. 970 per quintals. At Narela and Najafgarh markets the price remains up 930-938/ctl, and 930-935/ctl respectively (loose basis) on the back of arrivals around 2500-qtls and 2000qtls respectively. Karavali market witnessed arrivals around 1200qtls and price remain up Rs. 890/ctl. Achnera market witnessed arrivals around 1000 qtls and price remained between 890-892/ctl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals (Qtls)
		26.06.07	25.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	970	970	-	15,600
Delhi (Narela) Loose	Mill quality	930-938	930-935	+3	2500
Haryana (Palwal) Loose	Mill quality	893	890	+3	700
Uttar Pradesh (Mathura) Loose	Mill quality	900	900-905	-5	2500
Uttar Pradesh (Kosi) Loose	Mill quality	904	905	-1	1200
Haryana (Hodal) Loose	Mill quality	900-905	905	-	500
Gujarat (Rajkot) Loose	Mill quality	880	880	-	
Rajasthan (Kota)	Mill quality	998-1003	995-1000	+3	
Uttar Pradesh (Kanpur)	Mill quality	965-970	970-975	-5	
Madhya Pradesh (Indore)	Mill quality	977-982	982-987	-5	
Uttar Pradesh (Bareilly)	Mill quality	972-977	965-970	+7	

International Futures Quotes (as of June 25, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	586.00	595.00	586.00	589.50	-2.75
September 2007	601.00	611.50	600.50	604.50	-0.50
December 2007	610.00	619.00	609.50	614.75	+2.25

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	567.00	578.00	566.00	568.00	-2.75
September 2007	576.00	586.50	575.50	579.75	-0.75
December 2007	592.50	601.00	591.50	595.00	-

■ W H E A T

■ June 27, 2007

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

CBOT wheat futures finished mix Monday. July wheat slipped 2.75 cents to \$5.895 per bushel. This was 7 off the high and 4 up from the low. December Wheat closed up 2.25 cents at \$6.148 per bushel. This was 5.25 up from the low and 4.25 off the high. Ideas that harvest will be picking up and help pressure the market early in the day along with concerns for the overbought technical condition helped spark the early selling pressures. However, some rains in the southern plains are still keeping harvest slow which supported KC wheat and a move by commercial traders to hold higher protein wheat helped drive Minneapolis wheat higher which helped pull Chicago futures higher on the day into the mid-session.

News Analysis**Wheat Purchase by Private Firms Remained Lower this Year**

Wheat purchases by big private firms remained lower to 1.4 million tonnes this year compared with 2 million tonnes purchased in last year, following the government regulation on stock declaration of purchases. Of this, ITC Ltd. has bought 7.80 lakh tonnes, Cargill India Pvt. Ltd. Purchased around 2.50 lakh tonnes, Britannia 1.38 lakh tonnes and Delhi Flour Mills 0.86 lakh tonnes. This year, the government had issued orders for the declaration of wheat stocks on a regular basis if the total purchases are more than 0.5 lakh tonnes by a company or an individual under the Essential Commodities Act. This was done to minimise the potential for market distortions by purchase of large quantities of wheat by corporate trading firms. The companies have to submit weekly declarations to the government till June and monthly statements from July to December. The low purchase by the private companies, coupled with better production, has helped the government procure higher quantity of wheat over 11.06 million tonnes this time as against 9.2 million tonnes last year.

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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.