

■ W H E A T

■ June 11, 2007

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

In Saturday's trading, most of the major markets witnessed steady to up in wheat prices against a lower supply. Total arrivals in Delhi (Lawrence Road) increase to 14,000 qtls and prices remain stable between Rs 950-955 per quintal on improved demand from local floor millers. At Narela and Najafgarh markets the price remains 905-912/ qtl, and 895-907/ qtl respectively (loose basis) on the back of arrivals around 5000-qtls and 2500qtls respectively. Karavali market is closed. Achnera market saw the arrivals around 1000-1500 qtls and price remain 870-885 /qtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ qtl)		Change	Arrivals (Qtls)
		09.06.07	08.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	950-955	950-955	-	14,000
Delhi (Narela) Loose	Mill quality	905-912	905-910	+2	5000
Haryana (Palwal) Loose	Mill quality	875	870-875	-	1000
Uttar Pradesh (Mathura) Loose	Mill quality	880-885	885	-	2500
Uttar Pradesh (Kosi) Loose	Mill quality	870-875	880	-5	2500
Haryana (Hodal) Loose	Mill quality	870	880-885	-15	300
Gujarat (Rajkot) Loose	Mill quality	865	865	-	1000
Rajasthan (Kota)	Mill quality	970-975	972-977	-2	
Uttar Pradesh (Kanpur)	Mill quality	970-975	965-970	+5	
Madhya Pradesh (Indore)	Mill quality	930-935	930-935	-	
Uttar Pradesh (Bareilly)	Mill quality	945-950	952-957	-7	

International Futures Quotes (as of June 08, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	524.25	530.75	516.00	527.50	+3.00
September 2007	538.75	545.00	531.00	542.50	+1.25
December 2007	553.50	557.75	543.00	556.50	+2.25

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	512.00	520.00	506.00	518.50	+6.00
September 2007	523.00	532.50	517.50	532.25	+9.25
December 2007	539.00	548.00	533.00	548.00	+8.25

CEREAL

Agriwatch
DAILY

WHEAT

June 09 2007

International Market Recap

CBOT Wheat Futures Closed Up

CBOT wheat futures settled up Friday on positioning ahead of the release of Monday's U.S. Department of Agriculture's June supply and demand report. July wheat rose 3 cents to \$5.275 per bushel. This was 3 off the high and 11.5 up from the low. December Wheat finished up 2.5 cents at \$5.565 per bushel. This was 13.5 up from the low and 0.5 off the high. Traders are looking for a revision higher in production for the USDA Crop Production report for Monday morning. However, continued dryness concerns for the Ukraine and informal reports of lower than expected yields in the US central plains added firmness in speculative buying. With world wheat stocks already projected at a historically tight level, a further reduction in production from the Black Sea region could push world stocks even tighter and could boost the export prospects for key world exporters.

News Analysis

Govt. Wheat Procurement has Increased by 16.8% so far

Wheat procurement by Government surpasses last year procurement and stood around 10.77 Mln Tonnes so far as on June 7 excluding 6 lakh tonnes procured by state government of Punjab. The procurement has increased by 16.8% till now as against last year. 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. Daily arrivals are still strong. On Thursday, around 17,500 Tonnes wheat arrived in the mandis as against 429 Tonnes in the year ago period. 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 6.56 Mln Tonnes, down 5.4% from 6.94 Mln Tonnes a year ago period.

from U.S.

Weather Impact Analysis

Harvesting of wheat is complete in the northwestern parts. Threshing and drying is in progress in Punjab and Haryana. Isolated rain/thunderstorms over this region may affect post harvest activities.

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.

COMMODITIES RESEARCH