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June 20, 2007

Domestic Market Recap

Punjab, Haryana, U.P. and Rajasthan Contribute for Procurement

In Monday's trading, most of the major markets witnessed steady to up in wheat prices against a lower supply. Total arrivals in Delhi (Lawrence Road) decrease to 1400 qtls and prices remain flat between Rs. 950-955 per quintals on improved demand from local floor millers. At Narela and Najafgarh markets the price remains 910-915/ctl, and 905-908/ctl respectively (loose basis) on the back of arrivals around 5000-qtls and 3000qtls respectively. Karavali market witnessed arrivals around 1500qtls and price remain Rs. 870/ctl. Achnera market saw the arrivals around 600qtls and price remains 870-875/ctl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals (Qtls)
		19.06.07	18.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	950-955	950-955	-	1400
Delhi (Narela) Loose	Mill quality	910-915	900-908	+7	5000
Haryana (Palwal) Loose	Mill quality	870	870-872	-2	300
Uttar Pradesh (Mathura) Loose	Mill quality	880-885	880	+5	2500
Uttar Pradesh (Kosi) Loose	Mill quality	875	880-890	-15	1200
Haryana (Hodal) Loose	Mill quality	886	885	+1	300
Gujarat (Rajkot) Loose	Mill quality	865	865	-	300
Rajasthan (Kota)	Mill quality	986-991	985-990	+1	
Uttar Pradesh (Kanpur)	Mill quality	962-967	962-967	-	
Madhya Pradesh (Indore)	Mill quality	947-952	945-950	+2	
Uttar Pradesh (Bareilly)	Mill quality	955-960	960-965	-5	

International Futures Quotes (as of June 18, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
July 2007	606.00	607.00	596.00	601.00	-5.50
September 2007	618.00	621.50	610.00	617.50	-3.25
December 2007	620.00	623.50	617.00	622.75	+0.75

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	593.00	598.00	589.00	591.75	-4.50
September 2007	605.00	606.00	599.00	601.50	-7.50
December 2007	612.00	615.00	608.00	609.75	-1.75

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June 19, 2007

International Market Recap

CBOT Wheat Futures Finished Lower

CBOT wheat futures finished down Monday. July wheat ended 5.5 cents lower at \$6.01 per bushel. This was 6 off the high and 5 up from the low. December Wheat closed up 0.75 cents at \$6.228 per bushel. This was 5.75 up from the low and 0.75 off the high. A warmer and drier trend in the forecast for the plains helped spark a long-liquidation sell-off in the wheat market early in the session. Ideas that the market is extremely overbought basis traditional technical indicators and expectations for a pick-up in the harvest pace over the near-term helped spark some long liquidation selling as well. Soft red wheat basis has already been under pressure over the past week or so but traders now expect that that as the hard red harvest progresses that basis for hard red will also weaken.

News Analysis

Govt. Wheat Procurement has Increased by 19.6 % so far

Wheat procurement by Government crosses 11 million tonnes and stood around 11.03 million tonnes so far as on June 17 as against the 9.22 million tonnes of the food grain was procured last year. However, it is unlikely that government will touch the targeted 15 million tonnes of the food grain procurement as the procurement season is over in the key wheat growing states of Punjab and Haryana. However, the procurement will continue in other states till June end as progressive procurement is remained strong. In Bihar, procurement operations continue until Jul 15. According to the market players the procurement of wheat this year likely to be around 11.5 million tonnes. Total procurement in Punjab is seen short by 2.7% as against last year and much below of the procurement targets. The state has contributed the lower amount of 6,758,756 tonnes to the Central pool as against the last year procurement around 6,945,762 tonnes. The target this year is stood around 75 lakh tonnes. The total wheat out put in the state is around 145 lakh tonnes. However, in the states of Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year. The total procurement in Haryana stood up around 3,346,480 tonnes as against the previous year procurement of 2,228,725 tonnes. The procurement has increased by 50% this year in the state. The arrivals are remained good in the states of U.P. and M.P. and stood above 20,000 tonnes.

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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