

# CEREAL

Agriwatch  
DAILY

## WHEAT

June 09, 2007

### Domestic Market Recap

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

In Friday's trading, most of the major markets witnessed a rise in wheat prices against a lower supply. Total arrivals in Delhi (Lawrence Road) decline to 12,000 qtls and prices remain up between Rs 950-955 per quintal on improved demand from local floor millers. At Narela and Najafgarh markets the price remains 905-910/ qtl, and 900-908/ qtl respectively (loose basis) on the back of arrivals around 4000-qtls and 3000qtls respectively. Karavali market is closed. Achnera market saw the arrivals around 800 qtls and price remain 870-875 /qtl.

### Domestic Spot Market Prices

Market	Variety	Prices (Rs/ qtl)		Change	Arrivals (Qtls)
		08.06.07	07.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	950-955	945	+10	12,000
Delhi (Narella) Loose	Mill quality	905-910	915	-5	4000
Haryana (Palwal) Loose	Mill quality	870-875	875	-	1200
Uttar Pradesh (Mathura) Loose	Mill quality	885	885	-	1800
Uttar Pradesh (Kosi) Loose	Mill quality	880	880-882	-2	2000
Haryana (Hodal) Loose	Mill quality	880-885	883-884	-1	800
Gujarat (Rajkot) Loose	Mill quality	865	865	-	1000
Rajasthan (Kota)	Mill quality	972-977	970-975	+2	
Uttar Pradesh (Kanpur)	Mill quality	965-970	962-967	+3	
Madhya Pradesh (Indore)	Mill quality	930-935	920-926	+9	
Uttar Pradesh (Bareilly)	Mill quality	952-957	955-960	+3	

### International Futures Quotes (as of June 06, 2007)

#### CBOT

Contract Month	Open	High	Low	Settle	Change
July 2007	519.50	528.50	514.50	524.50	+4.75
September 2007	532.00	542.00	530.00	541.25	+6.75
December 2007	543.00	554.50	541.00	554.25	+6.75

#### KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	500.00	513.50	500.00	512.50	+9.00
September 2007	512.00	524.50	510.50	523.00	+6.25
December 2007	528.00	541.00	528.00	539.75	+6.25

## ■ W H E A T

■ June 09 2007

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

CBOT wheat futures turns up Thursday on underlying support from the concerns about tight global ending stocks. July wheat ended 4.75 cents higher at \$5.245 per Bushel. This was 4 off the high and 10 up from the low. December Wheat closed up 6.75 cents at \$554.25 per bushel. This was 13.25 up from the low and 0.25 off the high. After scrapping a tender for 1 million tonnes by the STC in late May, India announced plans to import 5 million tonnes between August and December of this year to help rebuild buffer stocks. It is also learnt that talks between India and U.S. about wheat trade is ongoing. Government is thinking on wheat import quality norms so that it can incorporate the competitive bidders from U.S. In addition, ideas that Ukraine production forecast will continue to decline until the region receives good rains and fears that the US crop could see further deterioration "if" more rain hits the winter wheat belt next week helped support. Weekly US export sales for wheat came in at 347,700 metric tonnes as compared to trade expectations between 300,000-400,000.

**News Analysis****Govt. Wheat Procurement has Increased by 16.6% so far**

Wheat procurement by Government surpasses last year procurement and stood around 10.75 Mln Tonnes so far as on June 6 excluding 6 lakh tonnes procured by state government of Punjab. The procurement has increased by 16% 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. Over 23,500 Tonnes wheat arrived in the mandis Wednesday 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.

**MMTC has Floated Tender to import 50,000 tonnes of Wheat**

MMTC Ltd. has floated a wheat tender Thursday to import 50,000 tonnes wheat for Jul-Aug delivery. The tender will terminate Jun 19 and the bids will remain valid till Jun 29. Earlier, STC and FCI had floated tenders to import wheat but had to cancel the tender because of lack of competitive bids. Unlikely the FCI and STC the MMTC is importing wheat on the private account and may sell it to private players later for a profit. Further, Government is likely to import around 4-5 Mln Tonnes of wheat during Aug-Dec to build buffer stocks and may restart the process of importing wheat before August. However, the wheat stocks in the country are enough to meeting the demand of 12 Mln Tonnes annually for public distribution requirements. The country has a 4.7 Mln Tonnes carryover stocks from last year. Government is considering on the relaxation of wheat import quality norms so that it can incorporate the competitive bidders from U.S.

**Weather Impact Analysis**

Harvesting of wheat is complete in the northwestern parts. Threshing and drying is in progress in Punjab and

**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.