

CEREAL

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DAILY

WHEAT

June 05, 2007

Domestic Market Recap

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

Total arrivals in Delhi markets stood down around 15,000qtls and prices at Lawrence Road were quoted up at Rs. 920 per quintal with the arrivals about 7000qtls for ready delivery (truck loaded). Local flour millers are active in the markets. At Narela and Najafgarh markets the price remains 892-897/ qtl, and 885-895/ qtl respectively (loose basis) on the back of arrivals 2500qtls and 2000qtls respectively. Karavali market has witnessed 800-1000 qtls arrivals and price remain at Rs.860/qtls market is closed. At Achnera market wheat trades at Rs.855-860/qtl on the back of arrivals around 1000 qtls

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals (Qtls)
		04.06.07	02.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	920	907-910	+10	7000
Delhi (Narela) Loose	Mill quality	892-897	868-875	+22	2500
Haryana (Palwal) Loose	Mill quality	850	-	-	700
Uttar Pradesh (Mathura) Loose	Mill quality	865-870	865-870	-	2500
Uttar Pradesh (Kosi) Loose	Mill quality	860-865	860	+5	2500
Haryana (Hodal) Loose	Mill quality	865	853-855	+10	600
Gujarat (Rajkot) Loose	Mill quality	865	865	-	1500
Rajasthan (Kota)	Mill quality	962-967	962-967	-	
Uttar Pradesh (Kanpur)	Mill quality	957-962	952-957	+5	
Madhya Pradesh (Indore)	Mill quality	922-927	922-927	-	
Uttar Pradesh (Bareilly)	Mill quality	950-955	935-940	+15	

International Futures Quotes (as of June 01, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
July 2007	517.50	530.50	515.25	520.75	+3.75
September 2007	529.00	544.00	529.00	535.50	+3.50
December 2007	542.25	554.00	539.00	547.00	+4.00

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	505.25	520.00	504.00	507.50	+3.50
September 2007	516.00	529.50	515.50	522.00	+5.50
December 2007	530.50	543.00	529.00	533.50	+3.75

COMMODITIES RESEARCH

International Market Recap**CBOT Wheat Futures Tested New Contract Month's Highs**

CBOT wheat futures manage to post new contract highs on Friday. July wheat settled up 3.75 cents to \$5.208 per bushel. This was 9.75 off the high and 4.75 up from the low. December Wheat closed up 4 cents at \$5.47 per bushel. This was 6.5 up from the low and 7 off the high. Potential crop losses in Ukraine, an aggressive seller of wheat on the world market kept sellers on the sidelines. Weekly US export sales for wheat came in at 709,900 metric tonnes as compared to trade expectations between 250,000-450,000. Cumulative sales have reached 96.2% of the USDA forecast as compared to 95.0% on average over the last five years. Traders see the problems with production in the Black Sea region as a potential boost in demand for US wheat as the region has been an aggressive exporter in recent years. The market also found support today from news of heavy rains and hailstorms in China which may have damaged the crop into the harvest period.

News Analysis**Govt. Wheat Procurement has Increased by 14% so far**

Wheat procurement by Government surpasses last year procurement and stood around 10.51 Mln Tonnes so far as on May 31 excluding 6 lakh tonnes procured by state government of Punjab. The procurement has increased by 14% 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. 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 6.52 Mln Tonnes, down 6% from 6.94 Mln Tonnes a year ago period. Total arrivals are stood higher around 14.45 million tonnes so far as on May 31 in the country. This year around 100,000 tonnes wheat is still arriving in the mandis everyday by May-end as against 3,000-4,000 tonnes a day during same period of last year. Of the total arrivals so far in the country around 11.45 million tonnes arrived in the states of Punjab and Haryana. Arrivals remain in M.P. around 1.09 million tonnes, whereas, in U.P. and Rajasthan it stood around 9.6 and 7.1 lakh tonnes respectively.

Bangladesh Issued a Tender to Import 212,000 Tonnes of Wheat

Bangladesh has issued a tender on 02.06.07 to import 212,000 tonnes of wheat by early September this year. The tender will close on July 17, with validity up to Aug.6. The wheat will be supplied either at Chittagong or Mongla port. The country has to import good quantity wheat every year through government and private sector imports because of supply demand mismatch of the food grain. Foreign grants also help the country.

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.

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