

■ W H E A T

■ July 28, 2007

Domestic Market Recap

In Friday's trading, most of the major markets witnessed steady to up tone in wheat prices on rising demand from flour millers. Flour millers have accelerated their buying due to strong demand for bakery products. Farmer's interest are also seen to release their stocks at higher prices. The price of different wheat products have also increased. Atta quoted at Rs.1068/90kg. Maida and sooji traded at Rs.1256/90 kg and Rs.700 a 50 kg bag respectively. Flour millers are interested to pile up their stocks in order to make profit in off season. Total arrivals in Delhi (Lawrence Road) remained up at 13,500 qtls and prices quoted up at Rs.1040 per quintals. At Narela and Najafgarh markets the price remained around 1000-1005/qrtl, and 992-1000/qrtl (loose basis) on the back of lower arrivals around 4000 qtl and 3000 qtl respectively. Karavalli market is closed. Price remained at Rs. 960-965 per quintals in Achnera market on arrivals around 900 qtls.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		28.07.07	26.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1040	1030-1035	+5	13,500
Delhi (Narella) Loose	Mill quality	1000-1005	980-982	+23	4000
Haryana (Palwal) Loose	Mill quality	968	960-962	+6	600
Uttar Pradesh (Mathura) Loose	Mill quality	990	978-980	+10	1500
Uttar Pradesh (Kosi) Loose	Mill quality	980	965-967	+13	1500
Haryana (Hodal) Loose	Mill quality	975	955-963	+12	500
Gujarat (Rajkot) Loose	Mill quality	1000-1010	1010-1015	-5	300
Rajasthan (Kota)	Mill quality	1075-1080	1072-1077	+3	
Uttar Pradesh (Kanpur)	Mill quality	1065-1070	1057-1062	+8	
Madhya Pradesh (Indore)	Mill quality	1065-1071	1065-1070	+1	400
Uttar Pradesh (Bareilly)	Mill quality	1050-1055	1055-1060	-5	

International Futures Quotes (as of July 26, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	317.50	326.00	313.75	317.50	+6.00
December 2007	332.00	340.50	329.00	333.00	+5.75
March 2008	346.00	355.00	345.00	348.50	+6.00

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	643.00	656.50	636.50	641.50	+14.75
December 2007	657.00	668.50	650.00	653.50	+11.50
March 2008	670.00	672.00	655.50	663.00	+13.00

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

CBOT wheat futures closed up Thursday. December Wheat finished up 16.5 cents at \$6.69 per bushel; this was 9 off the high and 12 up from the low. September Wheat closed up 17 cents at \$6.51 per bushel. This was 11 up from the low and 13 off the high. Strong export sales and growing concerns for further crop losses in France, Germany and Canada helped spark aggressive new buying from funds and a surge to new contract highs early in the session. The market managed to hold on to much of the gains despite a sharp break in other commodity markets and the stock market. Weekly US export sales for wheat came in at a whopping 2.077 million metric tonnes as compared to trade expectations between 950,000-1.1 million. Cumulative sales have already reached 36.6% of the USDA forecast for the entire marketing year as compared to 26.4% on average over the last five years.

News Analysis**PEC to Sell 21,478 tonnes of Imported Russian wheat in Domestic Market**

PEC, State-owned trading firm likely to sell 21,478 tonnes of imported wheat of Russian origin that was imported last year. The wheat stored in several warehouses of Tuticorin will be sold in domestic market by August 3. According to PEC, the last date of submission of bids is July 30 and the price quotations would be opened on the same day. The decision will no doubt benefit flour millers in the south as they would have to pay less on transport of the foodgrain from Tuticorin.

4th Advance Estimate: Wheat Production Up

According to the fourth advance estimate of government of India the wheat production in the year of 2006-07 stood up around 74.89 million tonnes as against the production of 69.35 million tonnes during last year.

Weather Impact Analysis

Harvesting of wheat is complete in the country. So weather is not a major concern. However, heavy rains may affect the market arrivals.

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