

■ W H E A T

■ July 17, 2007

Domestic Market Recap

In Monday's trading, most of the major markets witnessed steady to up in wheat prices on rising demand from flour millers amidst lower arrivals. Flour millers have accelerated their buying due to strong demand for bakery products. The price of different wheat products have also increased. Flour millers are interested to pile up their stocks in order to make profit in off season. The higher prices of wheat products have added further firmness. Atta quoted steady at Rs.1068/90kg. Maida and sooji moved up to Rs.1238/90 kg and Rs.690 a 50 kg bag respectively in line with wheat. Total arrivals in Delhi (Lawrence Road) remained down 10,000 qtls and prices quoted up between Rs. 1075-1082 per quintals. At Narela and Najafgarh markets the price remains higher around 1015-1020/qtl, and 1000-1010/qtl (loose basis) on the back of arrivals around 3000 qtl and 4000 qtl respectively. Achnera market witnessed arrivals around 400 qtl and price remained at Rs.985-990/qtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals (Qtls)
		16.07.07	14.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1075-1082	1070-1080	+2	10,000
Delhi (Narella) Loose	Mill quality	1015-1020	1010-1015	+5	3000
Haryana (Palwal) Loose	Mill quality	990-995	985-990	+5	500
Uttar Pradesh (Mathura) Loose	Mill quality	995-1000	1000	-	1500
Uttar Pradesh (Kosi) Loose	Mill quality	1000-1010	1005-1010	-	600
Haryana (Hodal) Loose	Mill quality	985-990	980-990	-	700
Gujarat (Rajkot) Loose	Mill quality	1020	1000	+20	200
Rajasthan (Kota)	Mill quality	1068-1072	1076-1082	+10	
Uttar Pradesh (Kanpur)	Mill quality	1045-1050	1050-1055	+5	
Madhya Pradesh (Indore)	Mill quality	1058-1064	1060-1066	+2	200
Uttar Pradesh (Bareilly)	Mill quality	1060-1065	1055-1060	+5	

International Futures Quotes (as of July 12, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	608.00	614.00	605.00	611.50	+0.50
September 2007	627.00	628.00	612.00	621.50	-0.50
December 2007	638.00	638.00	626.00	636.75	+2.75

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	617.00	623.00	612.00	621.00	+8.00
September 2007	608.00	615.00	600.00	611.00	+7.00
December 2007	627.00	630.00	616.00	627.75	+8.75

WHEAT

July 17, 2007

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

CBOT wheat futures settled higher Thursday. December Wheat finished up 18.25 cents at \$6.34 per bushel; this was 2 off the high and 16 up from the low. September Wheat closed up 20.25 cents at \$6.22 per bushel. This was 18.25 up from the low and 2 off the high. Ideas that export demand is remaining strong despite the high price and talk that milling quality wheat will be in very tight supply this season helped drive the market to the highs into the close. Ideas that the North Dakota spring wheat crop will produce well this season and talk of the overbought condition of the market helped limit the buying support early in the session but ideas that there will be significant production lost due to abandonment issues in Oklahoma and Kansas and a lack of high quality milling wheat helped support a surge into the mid-session. More wet weather in the southern plains and the outlook for more heat back into the spring wheat areas next week helped provide support.

News Analysis**USDA Wheat Weekly Export Sales**

Net sales of 1,183,400 metric tons were two and one-fifth times the previous week and two and one-quarter times the prior 4-week average. Increases were reported for Egypt (290,100 MT), unknown destinations (147,500 MT), Guatemala (105,900 MT), Yemen (103,000 MT), Iraq (100,000 MT), South Korea (87,500 MT), El Salvador (62,100 MT), and Sri Lanka (57,000 MT). Exports of 323,200 MT were 45 percent below the previous week and 23 percent under the prior 4-week average. The primary destinations were Mexico (98,200 MT), Indonesia (62,500 MT), Egypt (60,100 MT), Japan (30,900 MT), Nigeria (26,600 MT), and South Korea (21,500 MT).

This summary is based on reports from exporters for the period June 29-July 5, 2007.

Source: USDA

WASDE Projected Higher Global Wheat Out Put by 2.1 Mln Tonnes

Global 2007/08 wheat production is projected 2.1 million tons higher this month, mostly reflecting higher expected production for China. Harvested area and yield are both raised this month for China leaving projected production up 5 million tons. Production in the four major export competitor countries, however, is projected 1.8 million tons lower with major reductions for Canada and EU-27 more than offsetting an increase for Australia. A 2-million-ton reduction for Canada is based on reduced planted area this spring and is consistent with a similar downward revision to 2006/07 production. EU-27 production for 2007/08 is projected 0.7 million tons lower reflecting reduced production prospects mostly in eastern Europe and Greece. Australia production is raised 0.9 million tons reflecting improved rainfall, particularly in the eastern growing areas of the country since early June. Production is lowered for FSU-12 with reductions for Ukraine and Moldova only partly offset by an increase for Kazakhstan.

World exports for 2007/08 are increased only slightly this month as increases for Australia, Kazakhstan, and the United States are nearly offset by reductions for Canada, Ukraine, and Syria. World wheat feeding is lowered 0.9 million tons mainly reflecting reductions in Canada and EU-27. Global ending stocks are projected 4.5 million tons higher this month, mostly reflecting a projected 4.4-million-ton increase for China. Global ending stocks remain at their lowest level since 1981/82.

Source: WASDE

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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