

■ W H E A T

■ July 30, 2007

Domestic Market Recap

In Sturday'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. Total arrivals in Delhi (Lawrence Road) remained down at 12,000 qtls and prices quoted steady to down between Rs.1035-1040 per quintals. At Narela and Najafgarh markets the price remained around 1000-1005/qrtl, and 992-998/qrtl (loose basis) on the back of lower arrivals around 4000 qtl and 3000 qtl respectively. 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	27.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1035-1040	1040	-	12,000
Delhi (Narella) Loose	Mill quality	1000-1005	1000-1005	-	4000
Haryana (Palwal) Loose	Mill quality	965-967	968	-1	600
Uttar Pradesh (Mathura) Loose	Mill quality	988-990	990	-	1700
Uttar Pradesh (Kosi) Loose	Mill quality	978	980	-2	1500
Haryana (Hodal) Loose	Mill quality	975	975	-	500
Gujarat (Rajkot) Loose	Mill quality	1000-1010	1000-1010	-	300
Rajasthan (Kota)	Mill quality	1074-1079	1075-1080	-1	
Uttar Pradesh (Kanpur)	Mill quality	1065-1070	1065-1070	-	
Madhya Pradesh (Indore)	Mill quality	1060-1065	1065-1071	-6	400
Uttar Pradesh (Bareilly)	Mill quality	1050-1055	1050-1055	-	

International Futures Quotes (as of July 27, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	649.00	656.50	644.00	653.25	+2.25
December 2007	665.00	671.00	661.00	669.00	-
March 2008	658.00	668.00	658.00	662.75	-0.25

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	640.00	646.00	637.25	644.00	+2.50
December 2007	653.00	660.50	651.00	658.75	+5.25
March 2008	658.00	667.00	656.00	665.00	+2.00

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

CBOT wheat futures settled steady to up on Friday. December Wheat finished unchanged at \$6.69 per bushel, this was 2 off the high and 8 up from the low. September Wheat closed up 2.25 cents at \$6.533 per bushel. This was 9.25 up from the low and 3.25 off the high. The market found support from export news again this morning. The USDA announced that exporters have sold 200,000 tonnes of US hard red winter wheat to Iraq. This supported Kansas City wheat more than Chicago. Taiwan also bought 98,770 tonnes of US wheat overnight and South Korea millers bought 42,700 tonnes of US wheat. The spring wheat crop tour participants this week pegged the average yield at 37.3 bu/acre, which is up from 31.7 as last year's tour estimate and a 5-year average yield of 35.1 bu/acre. Reports of increased chances of rain in central Europe for the weekend failed to provide much support but could disrupt harvest again.

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.

USDA Wheat Weekly Export Sales Up

Net sales of 2,077,500 metric tons--the highest since the marketing year began June 1--were two and seven-tenths times the previous week and the prior 4-week average. Increases were reported for unknown destinations (602,500 MT), Egypt (428,200 MT), Italy (135,800 MT), Brazil (118,000 MT), Bangladesh (106,000 MT), the first hard red winter sales since 1999/00, the United Arab Emirates (105,500 MT), and Japan (88,000 MT). Exports of 432,300 MT were 9 percent below the previous week and 5 percent under the prior 4-week average. The primary destinations were Nigeria (101,900 MT), Egypt (59,200 MT), Japan (53,600 MT), Mexico (49,400 MT), and Guatemala (34,300 MT). Note: Accumulated exports for South Africa were adjusted down 14,100 MT.

This summary is based on reports from exporters for the period July 13-19, 2007.

Source: USDA

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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