

■ W H E A T

■ July 23, 2007

Domestic Market Recap

In Saturday's trading, most of the major markets witnessed mix tone in wheat prices on rising demand from flour millers. Flour millers have accelerated their buying due to strong demand for bakery products. The price of different wheat products have also increased. Atta quoted flat at Rs.1077/90kg. 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 flat 10,000 qtls and prices quoted marginally down at Rs.1025 per quintals. At Narela and Najafgarh markets the price remains slightly higher to steady around 987-990/qtl, and 982-985/qtl (loose basis) on the back of flat arrivals around 5000 qtl and 3000 qtl respectively. Karavalli market witnessed arrivals around 800qtls and price remained around Rs.950/qtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals (Qtls)
		21.07.07	20.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1025	1030-1035	-10	10,000
Delhi (Narella) Loose	Mill quality	987-990	985-990	-	-
Haryana (Palwal) Loose	Mill quality	945	958-960	-15	600
Uttar Pradesh (Mathura) Loose	Mill quality	964	967-970	-6	2000
Uttar Pradesh (Kosi) Loose	Mill quality	963	960-962	+1	1200
Haryana (Hodal) Loose	Mill quality	958-960	967	-7	300
Gujarat (Rajkot) Loose	Mill quality	1015-1020	1015-1020	-	200
Rajasthan (Kota)	Mill quality	1072-1078	1073-1078	-	
Uttar Pradesh (Kanpur)	Mill quality	1042-1047	1042-1047	-	
Madhya Pradesh (Indore)	Mill quality	1055-1060	1053-1058	+2	300
Uttar Pradesh (Bareilly)	Mill quality	1050-1055	1042-1047	+8	

International Futures Quotes (as of July 20, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	626.00	630.00	614.50	616.25	-3.75
December 2007	643.00	645.00	630.00	633.50	-1.75
March 2008	645.00	647.00	632.00	633.50	-4.00

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	612.00	615.00	603.00	603.50	-3.25
December 2007	627.00	629.00	618.50	618.75	-2.75
March 2008	635.00	638.00	628.50	628.50	-2.50

WHEAT

July 23, 2007

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

CBOT wheat futures settled down Friday. December Wheat finished down 1.75 cents at \$6335 per bushel; this was 11.5 off the high and 3.5 up from the low. September Wheat closed down 3.75 cents at \$6.163 per bushel. This was 1.75 up from the low and 13.75 off the high. New contract highs in Europe, active export news for the US and continued talk of potentially stressful weather ahead for the spring wheat crops in the plains and into Canada helped provide underlying support for the early bounce. However, weakness in the other grains helped erase the gains. Yields in France have been coming in well below expectations, which added to the positive tone early. Follow through technical selling after yesterday's weak action helped trigger a set-back into the mid-session.

News Analysis**India Likely to Float Regular Wheat Import Tender**

Government of India is seen very desperate this time to increase the buffer stocks of wheat so that it can intervene in the market when price will rise. In the last week, the government decided to import 511,000 tonne wheat at a higher weighted average price of \$325 a tonne, hardly a month after it rejected offers to buy about 300,000 tonne at \$263 per tonne from global market because of higher prices. The country would like to import total around 5 million tonnes wheat this marketing season. For that, government will regularly float tenders to import wheat through the State Trading Corp despite higher global prices. This year government started with 4.7 million tonnes as carry forward wheat and procured around 11.1 million tonnes. The amount is enough to cover its requirement of 16 million tonnes till March, including 12 million tonnes for PDS system, and a carry-over of 4 million tonnes for next year.

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 Down

Net sales of 767,300 metric tons were 35 percent below the previous week, but 7 percent above the prior 4-week average. Increases reported for Mexico (161,300 MT), Nigeria (144,000 MT, including 45,000 MT switched from unknown destinations), Egypt (117,000 MT, including 57,000 MT switched from unknown destinations), Japan (82,400 MT), Spain (69,400 MT), the Philippines (58,000 MT), and Brazil (50,000 MT), were partially offset by decreases for unknown destinations (89,500 MT). Exports of 473,300 MT were 46 percent above the previous week and 10 percent over the prior 4-week average. The primary destinations were Nigeria (69,600 MT), Peru (66,100 MT), Iraq (54,800 MT), Taiwan (42,800 MT), and Japan (41,200 MT). This summary is based on reports from exporters for the period July 6-12, 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.

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.