

■ W H E A T

■ July 18, 2007

Domestic Market Recap

In Tuesday's trading, most of the major markets witnessed steady to up 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. 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 15,000 qtls and prices quoted between Rs. 1040 per quintals. At Narela and Najafgarh markets the price remains higher around 990-995/qrtl, and 980-987/qrtl (loose basis) on the back of arrivals around 4000 qtl and 3000 qtl respectively. Achnera market witnessed arrivals around 1000 qtl and price remained at Rs.940/qrtl. Karavalli market witnessed arrivals around 1000 qtls and price remained around Rs.950/qrtl

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		17.07.07	16.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1040	1045	-5	15,000
Delhi (Narella) Loose	Mill quality	990-995	995-1000	+5	4000
Haryana (Palwal) Loose	Mill quality	960	960	-	1000
Uttar Pradesh (Mathura) Loose	Mill quality	596	1000	-4	500
Uttar Pradesh (Kosi) Loose	Mill quality	965	965	-	700
Haryana (Hodal) Loose	Mill quality	955	955	-	700
Gujarat (Rajkot) Loose	Mill quality	1010-1020	1020	-	200
Rajasthan (Kota)	Mill quality	1068-1072	1065-1070	+2	
Uttar Pradesh (Kanpur)	Mill quality	1045-1050	1040-1047	+3	
Madhya Pradesh (Indore)	Mill quality	1058-1064	1060-1065	-1	300
Uttar Pradesh (Bareilly)	Mill quality	1055-1060	1060-1065	-5	

International Futures Quotes (as of July 16, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	611.75	614.50	599.50	601.75	-19.00
December 2007	628.25	629.50	615.00	618.00	-17.25
March 2008	629.00	634.00	620.50	626.00	-14.50

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	603.25	603.25	588.75	593.75	-15.25
December 2007	618.00	619.25	605.00	609.00	-18.25
March 2008	623.00	623.00	614.50	617.00	-16.00

CEREAL

Agriwatch
DAILY

W H E A T

July 18, 2007

International Market Recap

CBOT Wheat Futures Finished Down

CBOT wheat futures finished lower. December Wheat finished down 17.25 cents at \$6.18 per bushel; this was 11 off the high and 2 up from the low. September Wheat closed down 19 cents at \$6.018 per bushel. This was 1.75 up from the low and 12.75 off the high. Ideas that harvest weather will be improved for the winter wheat crop added to the bearish tone while traders did not react to the outlook for more hot weather for the spring wheat areas this week. For the weekly export inspections, wheat came in at 11.5 million bushels as compared with trade expectations at 13-17 million bushels. Weakness in the other grains and talk of the overbought technical condition added further bearish tone.

News Analysis

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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