

■ W H E A T

■ July 14, 2007

Domestic Market Recap

In Friday'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 higher 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 up 11,000 qtls and prices quoted up between Rs. 1060-1072 per quintals. At Narela and Najafgarh markets the price remains higher around 1000-1007/qrtl, and 994-1000/qrtl (loose basis) on the back of arrivals around 5000 qtl and 4000 qtl respectively. Achnera market witnessed arrivals around 300 qtl and price remained at Rs.975-980/qrtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		13.07.07	12.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1060-1072	1050	+22	11,000
Delhi (Narella) Loose	Mill quality	1000-1007	975-980	+27	3000
Haryana (Palwal) Loose	Mill quality	970-972	950-955	+17	500
Uttar Pradesh (Mathura) Loose	Mill quality	992	952	+40	2000
Uttar Pradesh (Kosi) Loose	Mill quality	998-1005	945-955	+45	800
Haryana (Hodal) Loose	Mill quality	970-980	950	+30	700
Gujarat (Rajkot) Loose	Mill quality	1000	990	+10	200
Rajasthan (Kota)	Mill quality	1076-1082	1076-1082	-	
Uttar Pradesh (Kanpur)	Mill quality	1050-1055	1030-1035	+20	
Madhya Pradesh (Indore)	Mill quality	1060-1066	1063-1068	-2	300
Uttar Pradesh (Bareilly)	Mill quality	1055-1060	1055-1060	-	

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 14, 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.

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.