

■ W H E A T

■ July 25, 2007

Domestic Market Recap

In Monday'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 at Rs.1068/90kg. 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 up at Rs.1027 per quintals. At Narela and Najafgarh markets the price remains flat around 980-982/qtl, and 980-983/qtl (loose basis) on the back of lower arrivals around 3000 qtl and 2500 qtl respectively. Karavalli market witnessed arrivals around 700qtls and price remained around Rs.952-955/qtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals (Qtls)
		24.07.07	23.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1027	1025	+2	10,000
Delhi (Narella) Loose	Mill quality	980-982	980-982	-	3000
Haryana (Palwal) Loose	Mill quality	948	945	+3	700
Uttar Pradesh (Mathura) Loose	Mill quality	968	968	-	1000
Uttar Pradesh (Kosi) Loose	Mill quality	960-962	960-962	-	1400
Haryana (Hodal) Loose	Mill quality	955-958	955-957	+1	500
Gujarat (Rajkot) Loose	Mill quality	1015-1020	1015-1020	-	200
Rajasthan (Kota)	Mill quality	1073-1078	1076-1081	-3	
Uttar Pradesh (Kanpur)	Mill quality	1052-1057	1050-1055	+2	
Madhya Pradesh (Indore)	Mill quality	1061-1066	1055-1060	+6	300
Uttar Pradesh (Bareilly)	Mill quality	1060-1065	1045-1050	+15	

International Futures Quotes (as of July 23, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	619.00	622.50	613.00	620.25	+4.00
December 2007	636.00	638.00	629.00	637.50	+4.00
March 2008	637.00	641.00	636.00	640.50	+7.00

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	609.00	611.00	604.50	609.75	+6.25
December 2007	624.00	626.00	618.50	625.25	+6.50
March 2008	630.00	634.00	627.50	632.50	+4.00

CEREAL

Agriwatch
DAILY

WHEAT

July 25, 2007

International Market Recap

CBOT Wheat Futures Settled Up

CBOT wheat futures settled up Monday. December Wheat finished up 4 cents at \$6.375 per bushel, this was 1 off the high and 8.5 up from the low. September Wheat closed up 4 at \$6.203 per bushel. This was 7.25 up from the low and 2.25 off the high. Continued reports of lower than expected yields for the European harvest and new contract highs for French wheat futures helped support the higher opening. Traders shook off the weak tone for the other grains but weakness seemed to help limit the buying support from funds early in the session. The weekly export inspections report, released during the session, showed wheat exports at 19.3 million bushels as compared with trade expectations at 13-16 million. Lower private analyst projections for the Australia crop this season and continued concerns for the Argentina crop due to a lack of rain to get the crop planted and weekend cold weather added to the positive tone.

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.

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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