

■ W H E A T

■ July 19, 2007

Domestic Market Recap

In Wednesday'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. Flour millers are interested to pile up their stocks in order to make profit in off season. Total arrivals in Delhi (Lawrence Road) remained down 10,000 qtls and prices quoted lower at Rs. 1030 per quintals. Narela and Najafgarh markets are closed. Achnera market witnessed arrivals around 500 qtl and price remained at Rs.940-945/ctl.Karavalli market witnessed arrivals around 800qtls and price remained around Rs.950-955/ctl

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals (Qtls)
		18.07.07	17.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1030	1040	-5	10,000
Delhi (Narela) Loose	Mill quality	Closed	990-995	-	-
Haryana (Palwal) Loose	Mill quality	957	960	-3	1000
Uttar Pradesh (Mathura) Loose	Mill quality	960	566	-6	2000
Uttar Pradesh (Kosi) Loose	Mill quality	960	965	-5	700
Haryana (Hodal) Loose	Mill quality	965	955	+10	500
Gujarat (Rajkot) Loose	Mill quality	1015-1020	1010-1020	-	200
Rajasthan (Kota)	Mill quality	1070-1075	1068-1072	+3	
Uttar Pradesh (Kanpur)	Mill quality	1035-1040	1045-1050	-10	
Madhya Pradesh (Indore)	Mill quality	1060-1065	1058-1064	+1	300
Uttar Pradesh (Bareilly)	Mill quality	1045-1050	1055-1060	-10	

International Futures Quotes (as of July 17, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	613.00	618.75	600.50	601.25	-0.50
December 2007	627.00	633.50	616.00	617.25	-0.75
March 2008	634.00	639.00	624.00	624.75	-1.25

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	600.00	604.00	585.00	586.00	-7.75
December 2007	616.00	619.50	601.00	601.50	-7.50
March 2008	622.00	826.50	611.00	614.00	-3.00

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

CBOT wheat futures settled down. December Wheat finished down 0.75 cents at \$6.173 per bushel; this was 16.25 off the high and 1.25 up from the low. September Wheat closed down 0.50 cents at \$6.013 per bushel. This was 0.75 up from the low and 17.5 off the high. News that Egypt bought 325,000 tonnes of wheat at their snap tender overnight and that 300,000 of the total was US soft red winter helped spark solid support for Chicago wheat early in the session. Declining crop conditions for the spring wheat and fears that extreme heat in the northern plains which could cause further crop problems added to the positive tone. Spring wheat conditions slipped to 76% good to excellent from 78% last week.

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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