

## ■ W H E A T

■ July 21, 2007

**Domestic Market Recap**

In Friday'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 steady to up at between Rs.1030-1035 per quintals. At Narela and Najafgarh markets the price remains higher around 987-990/qrtl, and 982-985/qrtl (loose basis) on the back of arrivals around 5000 qtl and 3000 qtl respectively. Karavalli market witnessed arrivals around 800qtls and price remained around Rs.950-955/qrtl.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		20.07.07	19.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1030-1035	1030	+5	10,000
Delhi (Narella) Loose	Mill quality	985-990	985-990	-	-
Haryana (Palwal) Loose	Mill quality	958-960	957-960	-	300
Uttar Pradesh (Mathura) Loose	Mill quality	967-970	967	+3	1200
Uttar Pradesh (Kosi) Loose	Mill quality	960-962	960	+2	700
Haryana (Hodal) Loose	Mill quality	967	967	-	500
Gujarat (Rajkot) Loose	Mill quality	1015-1020	1015-1020	-	200
Rajasthan (Kota)	Mill quality	1073-1078	1073-1078	-	
Uttar Pradesh (Kanpur)	Mill quality	1042-1047	1040-1045	+2	
Madhya Pradesh (Indore)	Mill quality	1053-1058	1056-1061	-3	300
Uttar Pradesh (Bareilly)	Mill quality	1042-1047	1045-1050	-3	

**International Futures Quotes (as of July 19, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	634.00	638.50	616.00	620.00	-3.50
December 2007	648.00	651.50	630.50	635.25	-7.25
March 2008	653.00	653.00	634.00	637.50	-9.50

**KCBT**

Contract Month	Open	High	Low	Settle	Change
September 2007	612.00	620.00	602.00	606.75	+0.75
December 2007	627.00	634.00	615.00	621.50	+1.00
March 2008	639.00	645.00	626.00	631.00	+1.00

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

CBOT wheat futures settled down Thursday. December Wheat finished down 7.25 cents at \$6.353 per bushel; this was 16.25 off the high and 4.75 up from the low. September Wheat closed down 3.5 cents at \$6.20 per bushel. This was 4 up from the low and 18.5 off the high. Strong export demand despite what is thought to be relatively high prices helped support further strong buying support for the wheat market and moderately higher trade into the mid-session. Morocco issued licenses to import 243,000 tonnes of US wheat and Tunisia tendered for 125,000 tonnes of milling wheat while Jordan is tendering to buy 100,000 tonnes of hard wheat. On top of the weekly sales, the USDA confirmed a sale of 106,000 tonnes of US wheat to Bangladesh and also 60,000 tonnes of soft red and 55,000 tonnes of hard red to Egypt.

**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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