

WHEAT

August 17, 2007

Domestic Market Recap

In Thursday's trading, Wheat sentiments remained mostly steady to up on good arrivals amidst some buying support from local millers. However, lower demand from South Indian flour mills still have pressurised the sentiments. Market is looking forward for festive demand. The price of different wheat products remained steady as, Atta quoted at Rs.1073/90kg. Maida and sooji traded at Rs.1256/90 kg and Rs.700 a 50 kg bag respectively. Government has already bought around 11.1 million tonnes from farmers and now has total stocks of 13 million tonnes. Further, the country would likely to import total around 5 million tonnes wheat this marketing season. Total arrivals in Delhi (Lawrence Road) remained lower at 12,000 qtls and prices quoted marginally up at Rs.1020 per quintals. At Narela and Najafgarh markets the price remained around 970-988/qrtl, and 960-970/qrtl (loose basis) on the back of higher arrivals around 6000 qtl and 3000 qtl respectively. Karavalli market witnessed the arrivals around 2000 qtls and price quoted at Rs.940/ qtl. Achnera market is closed.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		16.08.07	14.08.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1020	1015	+5	12,000
Delhi (Narella) Loose	Mill quality	970-988	977-983	+2	6000
Haryana (Palwal) Loose	Mill quality	945	948	-3	800
Uttar Pradesh (Mathura) Loose	Mill quality	936	Closed	-	1500
Uttar Pradesh (Kosi) Loose	Mill quality	950-955	955	-	1000
Haryana (Hodal) Loose	Mill quality	950	955-957	-7	400
Gujarat (Rajkot) Loose	Mill quality	1010-1015	1010-1015	-	150
Rajasthan (Kota)	Mill quality	1065-1071	1071-1076	-1	
Uttar Pradesh (Kanpur)	Mill quality	1040-1045	1045-1050	-5	
Madhya Pradesh (Indore)	Mill quality	1055-1060	1051-1056	+1	200
Uttar Pradesh (Bareilly)	Mill quality	1015-1020	1030-1035	+5	

International Futures Quotes (as of August 15, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	695.00	697.00	677.00	678.50	-14.00
December 2007	710.00	714.50	696.00	697.00	-14.00
March 2008	705.00	707.00	693.50	695.50	-7.50

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	672.00	673.00	657.00	658.00	-14.25
December 2007	688.00	688.00	671.00	675.75	-7.25
March 2008	688.00	688.00	674.00	674.25	-7.75

CEREAL

Agriwatch
DAILY

WHEAT

August 17, 2007

International Market Recap

CBOT Wheat Futures Settled Down

CBOT wheat futures settled down Wednesday. December Wheat finished down 14 at \$6.97 per bushel, 17.5 off the high and 1 up from the low. September Wheat closed down 14 cents at \$6.785 per bushel. This was 1.5 up from the low and 18.5 off the high. Solid export demand news this week despite high prices along with tightening world supplies helped support the market early. November futures in Paris posted new contract and all-time highs which provided some support. Heavy rains across the northern France region and rain in England with more in the forecast into the weekend added to the positive tone this morning.

News Analysis

Wheat Stock Under GOI is Higher Around 12.01 Million Tonnes

Wheat stock under Indian government is reportedly higher around 12.01 million tonnes this year as on August 1 as compared to 7.33 million tonnes corresponding period of last year.

Flour Millers are Against the Plan to Cut Import Duty on Wheat Flour

Roller flour millers are against the government's plan to scrap customs duty on wheat flour from the current 30 per cent level. According to them, the movement would adversely affect the industry, especially those mills located in south India. There are 800-1,000 flour mills across the country. The country such as Sri Lanka and Malaysia has a surplus milling capacity and they can downpour the wheat flour in India because of cost advantage and consequently the domestic flour millers would be most affected as they are running at 45-50% of their capacities. However, the plan would no doubt help in lessening in prices of wheat flour with an increase in supply in the country.

Iran to Join Wheat Export Countries

Iran is going to join wheat exporting countries this year. The country likely to export wheat to Azerbaijan Republic, Iraq and Oman. According to the forecast of United Nations Food and Agriculture Organization country's wheat production to reach 15 million tons in 2007. Iran used to be the major wheat import country before the year 2004 and after that it attained self sufficiency in the food grain.

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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