

# CEREAL

Agriwatch  
DAILY

## WHEAT

August 27, 2007

### Domestic Market Recap

On Saturday, Wheat prices in most of the markets traded steady to down in the wholesale grains following increased arrivals against steady demand from the consuming units. Wheat traded up at Haryana (Palwal loose), Haryana (Hodal loose) and at various markets of Uttar Pradesh and Madhya Pradesh on a tighter supply. Increased supplies against steady demand from rolling flour mills slightly pulled down the wheat prices in some markets, traders reported. The prices of different wheat products remained quoted steady as, Atta quoted at Rs.1073/90kg, Maida and Sooji traded at Rs.1256/90 kg and Rs.710/50 kg bag respectively, where there is slightly of Chkar 50kg at Rs.342. Total arrivals in Delhi (Lawrence Road) were increased slightly and stood around 17000 qtls and prices quoted steady at Rs.1015/qlt. The prices traded down at Delhi (Narella Loose) and Najabgarh and quoted at Rs.970-972/qlt and 967-970/qlt respectively against the increased arrivals of 4,000 and 6000 respectively. In the importing process, government floated the tender and the last date is August 29 and the company will decide the quantity on September 3. It is very likely that India may receive wheat offers \$375-400 per tonne in the new tender. As per the US Agriculture Department, global wheat inventories are expected to fall to 114.8 million tonnes by 31 May, 08, the lowest in 26 years. India's importing of wheat may increase in prices in Chicago as weather has damaged the crop among major producing countries like Australia, Europe, Russia and Ukraine.

### Domestic Spot Market Prices

Market	Variety	Prices (Rs/qlt)		Change	Arrivals (Qtls)
		25.08.07	24.08.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1015	1015	-	17000
Delhi (Narella) Loose	Mill quality	970-972	968-975	-3	4000
Haryana (Palwal) Loose	Mill quality	932	938	-6	800
Uttar Pradesh (Mathura) Loose	Mill quality	947	940	+7	1400
Uttar Pradesh (Kosi) Loose	Mill quality	940	941	-1	1000
Haryana (Hodal) Loose	Mill quality	945	940	+5	400
Gujarat (Rajkot) Loose	Mill quality	960	960	-	500
Rajasthan (Kota)	Mill quality	1065-1070	1065-1070	-	
Uttar Pradesh (Kanpur)	Mill quality	1035-1040	1035	+5	
Madhya Pradesh (Indore)	Mill quality	1035-1040	1030-1035	+5	200
Uttar Pradesh (Bareilly)	Mill quality	1015-1020	1005-1015	+5	

### International Futures Quotes (as of August 23, 2007)

#### CBOT

Contract Month	Open	High	Low	Settle	Change
September 2007	725.00	727.00	720.00	725.75	+3.25
December 2007	742.00	743.00	734.00	742.00	+3.00
March 2008	737.00	744.00	733.00	742.00	+3.00

#### KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	673.00	683.00	669.00	682.75	+9.00
December 2007	689.00	698.00	684.00	698.00	+9.50
March 2008	693.00	699.00	688.00	698.00	+4.75

# CEREAL

Agriwatch  
DAILY

## W H E A T

August 27, 2007

### **International Market Recap** **CBOT Wheat Futures Settled Up**

CBOT wheat futures settled higher Friday. December Wheat finished up 3 cent at \$742 per bushel; this was 1 off the high and 8 up from the low. September Wheat closed up 3.25 cent at \$725.75 per bushel. This was 5.75 up from the low and 1.75 off the high. US wheat futures consolidated after the sharp gain in the week. Late strength in soybeans and a lack of new selling interest on the mid-session break supported a recovery into the close with a lackluster trade. European wheat prices also consolidated after recording high prices on Thursday. Tightening world stocks from key exporters and firm demand from importers helped support the recent upward trend. The USDA confirmed a sale of 100,000 tonnes of hard red wheat to Cuba. In addition, Taiwan bought 46,000 tonnes of US wheat for milling and rejected another tender for 46,000 tonnes of wheat from the US indicating higher prices. It is also believed that Iraq is going to finalize a deal to import 200,000 tonnes of North American wheat. Traders are also optimistic about the prospects of India wheat tender.

### **News Analysis**

#### **Government Invited Tenders for Wheat Import Today**

India today has floated a tender to buy near about 50 lakh tonnes of wheat. The State Trading Corporation (STC) has floated the wheat import tender on behalf of the government. This is the third tender being floated by the STC this year. The tender closes on August 29 and the company will decide the quantity on September 23. As of July 1, this year, the buffer stock stood around 130 lakh tonnes against the bofor norm of 171 lakh tonnes. Keeping in mind the international prices, Pakistan may be suitable option before the Indian importers but Pakistan is planning to impose 35 per cent export duty on wheat to keep the domestic prices stable. India is also planning to curb present 30 per cent import duty on wheat.

#### **Southern Hemisphere To Decide US Wheat Price**

Demand and production potential in the Southern Hemisphere is the key factors in future US wheat prices. The world buyers are optimistic about the Southern Hemisphere's wheat to meet their demands. Due to drought in Australia last year, world export market was severely affected. As per the Cropcast Agricultural Weather report, there is little relief from the drought in Argentina. Deficit in rainfall in recent weeks, country's wheat belt is definitely lack moisture, which may hamper the yield potential. Cold climate in recent weeks over the wheat growing areas in Argentina may hamper the crop growth as crop is only in the vegetative stages of growth.

#### **Russian Wheat Unloaded at Tuticorin Port**

Tuticorin port created a new record by unloading a volume 10,140 tonnes of wheat in bulk from the vessel, MV Emperor, at berth no. VIII on August 20 (on a single day). As per the tuticorin press release, the Russian wheat has been imported by Cargill (I) Pvt. Let., New Delhi.

### **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.

---

COMMODITIES RESEARCH