

■ W H E A T

■ August 3, 2007

Domestic Market Recap

In Thursday's trading, Wheat sentiments remained somewhat up on lower arrivals amidst some buying support from local millers. The wheat stock with government is satisfactory this year. 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. 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. Total arrivals in Delhi (Lawrence Road) remained flat at 10,000 qtls and prices quoted unchanged at Rs.1030 per quintals. At Narela and Najafgarh markets the price remained around 985-988/qrtl, and 978-982/qrtl (loose basis) on the back of higher arrivals around 2500 qtl and 1000 qtl respectively. Achnera market is closed. Karavalli market witnessed the arrivals around 400 qtls. And price remained around Rs.950 /qrtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		02.08.07	01.08.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1030	1030	-	10.000
Delhi (Narella) Loose	Mill quality	985-988	980-885	+3	4000
Haryana (Palwal) Loose	Mill quality	-	950	-	-
Uttar Pradesh (Mathura) Loose	Mill quality	970	963	+7	600
Uttar Pradesh (Kosi) Loose	Mill quality	960	955	+5	700
Haryana (Hodal) Loose	Mill quality	-	960	-	-
Gujarat (Rajkot) Loose	Mill quality	1000-1005	1000-1005	-	200
Rajasthan (Kota)	Mill quality	1070-1075	1070-1075	-	
Uttar Pradesh (Kanpur)	Mill quality	1050-1055	1055-1060	-5	
Madhya Pradesh (Indore)	Mill quality	1050-1055	1058-1063	-8	200
Uttar Pradesh (Bareilly)	Mill quality	1040-1045	1045-1050	-5	

International Futures Quotes (as of August 01, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	631.00	637.00	620.00	636.00	+6.00
December 2007	652.00	658.00	639.00	656.00	+7.00
March 2008	649.00	653.50	640.00	653.25	+5.25

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	630.50	634.00	617.00	632.50	+3.50
December 2007	644.00	648.50	633.00	647.75	+2.75
March 2008	647.00	650.00	637.00	650.00	+2.50

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

CBOT wheat futures closed up Wednesday. December Wheat finished up 7cents at \$6.56 per bushel; this was 2 off the high and 17 up from the low. September Wheat closed up 6 cents at \$6.36 per bushel. This was 16 up from the low and 1 off the high. Egypt bought 150,000 tonnes of wheat from Russia this morning and none from the US in their overnight tender. Since Egypt bought 290,000 from the US in the last tender, traders were disappointed with the news. Iran bought 100,000 tonnes of US wheat and seeks at least 300,000 tonnes more. South Korea bought 20,500 tonnes of US wheat overnight and Taiwan is expected to cut their import tariff in half.

News Analysis**Import Duty Likely to cut on Wheat Flour**

The government of India is considering on the cut of import duty on wheat flour from the current 30% level. This will facilitate the private sector to import wheat flour from global market economically at internationally competitive rates. The upcoming festive season will drive up the wheat demand and prices also. Therefore, the competitive import can reduce the supply pressure. This decision is also looking favourable to open the way for American wheat as a value-added product to entering in Indian market. Since wheat flour will not be tested for the same phytosanitary specifications as wheat grain, it will find a way around the objections raised by the agriculture ministry against US wheat.

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.

Govt. Likely to Release 3 LT Wheat in Open Market

Government of India is likely to release around 3 lakh tonnes of wheat into the open market to control the high retail prices. The decision will no doubt help the market to reduce the supply demand ratio. Wheat prices is about to increase in the coming days due to upcoming festive demand.

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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