

■ W H E A T

■ August 21, 2007

Domestic Market Recap

In Monday's trading, wheat prices traded lower in the wholesale grains market on sluggish demand from rolling flour mills. An adequate supply amidst lower demand from rolling flour mills is mainly underpinning the tone. However, roller flour millers are supposed to be accelerating their purchase in the prior of festive season. Demand continued to be lower from South Indian flour mills. Market is looking forward for festive demand. The price of different wheat products remained steady as, Atta quoted at Rs.1073/90kg. Maida quoted steady at Rs.1256/90 kg and sooji traded up between Rs.700-710 a 50 kg bag. 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 up at 24,500 qtls and prices quoted lower at Rs.1010 per quintals. At Narela and Najafgarh markets the price remained down around 960-970/qrtl, and 960-965/qrtl (loose basis) on the back of higher arrivals around 4000 qtl and 2500 qtl respectively. Karavalli market witnessed the arrivals around 1500 qtls and price quoted at Rs.940-942/ qtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		18.08.07	20.08.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1020	1010	-10	24,500
Delhi (Narela) Loose	Mill quality	970-982	960-970	-12	4000
Haryana (Palwal) Loose	Mill quality	945	940	-5	500
Uttar Pradesh (Mathura) Loose	Mill quality	935	940	-5	1200
Uttar Pradesh (Kosi) Loose	Mill quality	950	930	-20	1000
Haryana (Hodal) Loose	Mill quality	945-950	948	-2	500
Gujarat (Rajkot) Loose	Mill quality	1010-1015	970-980	-35	200
Rajasthan (Kota)	Mill quality	1060-1065	1057-1062	-3	
Uttar Pradesh (Kanpur)	Mill quality	1035-1040	1030-1035	-5	
Madhya Pradesh (Indore)	Mill quality	1045-1050	1040-1045	-5	200
Uttar Pradesh (Bareilly)	Mill quality	1010-1015	1007-1010	-5	

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

Contract Month	Open	High	Low	Settle	Change
September 2007	674.25	678.00	660.50	672.00	-1.00
December 2007	691.50	693.25	675.50	688.50	+1.00
March 2008	683.75	687.50	674.00	684.25	-1.75

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	650.50	654.00	641.00	650.50	-0.25
December 2007	664.50	668.75	656.00	664.00	-
March 2008	660.50	670.25	660.50	668.00	+0.25

CEREAL

Agriwatch
DAILY

WHEAT

August 21, 2007

International Market Recap

CBOT Wheat Futures Settled Mix

CBOT wheat futures settled mix Friday. December Wheat finished up 1 cent at \$6.885 per bushel; this was 0.5 off the high and 13 up from the low. September Wheat closed down 1 cent at \$6.72 per bushel. This was 11.25 up from the low and 2 off the high. Follow-through technical selling following the Wednesday key reversal from a contract and 11-year high helped drive the market sharply lower early in the session but the market held well above yesterday's lows to trigger some stability into the mid-session. Taiwan is tendering to buy 92,000 tonnes of US wheat. An Iranian official indicated that the country will export 2 million tonnes to Iraq in the year ending March.

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.

Wheat Purchase by Private Companies Stood at 18.76 Lakh Tons

After the termination of government wheat procurement this year, the private companies have started to purchase vigorously from the local markets. The total procurement of wheat in the private sector stood at 18.76 lakh tons as on July 30 in the current marketing season. However, it is lower as compared to last year purchase of around 20 lakh tonnes.

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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