

■ W H E A T

■ Sept. 08, 2007

Domestic Market Recap

During Friday's trade, Wheat prices firmed up in most of the major markets on a good buying from the consuming units ahead of festive season against slightly restricted arrivals. However, prices traded a tad lower at Haryana (Palwal), Karnal and Ludhiana (Jagron) loose basis as increased arrivals outpaced steady buying. Ahead of the festive season, as wheat roller flour millers are accelerating their purchase further boosted the market sentiment. In Delhi, (Lawrence road), wheat traded up at Rs.1010-1012/ql against the lower arrival of 9000. Due to high global wheat price and fear of lower yield in major wheat growing countries further imparted the bullish sentiment. The prices of different wheat products quoted steady as, Atta quoted at Rs.1055/90kg, Maida and Sooji traded at Rs.1256/90 kg and Rs.710/50 kg bag respectively while Chokar traded up at 50kg at Rs.338. Delhi (Narella) loose traded up at Rs.965-966/ql against the increased arrival of 5000 qtls. Farmers in Madhya Pradesh have shown interest to sell in the present price level to give storage to new soya crop, as the new crop will be harvested early next month. In coming days, wheat may trade at upper side due to lower stocks and government's decision to import wheat at more than double price of minimum support price provided to the farmers. The centre has asked STC to import 7.95 lakh tonnes of wheat at an average price of \$389.45/tonne, cost and freight.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qlt)		Change	Arrivals (Qtls)
		07.09.07	06.09.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1010-1012	1000	+12	9000
Delhi (Narella) Loose	Mill quality	965-66	960-965	+1	5000
Haryana (Palwal) Loose	Mill quality	920-922	925	-3	400
Uttar Pradesh (Mathura) Loose	Mill quality	945	935	+10	2000
Uttar Pradesh (Kosi) Loose	Mill quality	931-932	925-930	+2	400
Haryana (Hodal) Loose	Mill quality	936-940	930-935	+5	500
Gujarat (Rajkot) Loose	Mill quality	960-970	960-970	-	400
Rajasthan (Kota)	Mill quality	1055	1050-1055	-	
Uttar Pradesh (Kanpur)	Mill quality	1020-1025	1015-1020	+5	1500
Madhya Pradesh (Indore)	Mill quality	1060	1045-1050	+10	
Uttar Pradesh (Bareilly)	Mill quality	1005-1010	1000	+10	700

International Futures Quotes (as of September 6, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	809.00	830.00	809.00	816.00	-26.50
December 2007	823.00	838.00	814.00	824.00	-11.50
March 2008	815.00	832.00	808.50	824.00	-7.25

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	770.00	798.00	770.00	790.00	+9.00
December 2007	777.00	800.00	777.00	788.75	-2.50
March 2008	779.00	794.00	776.50	785.00	-8.50

International Market Recap

CBOT Wheat Futures Settled Down

CBOT wheat futures settled down Thursday. December Wheat finished down 11.5 cent at \$824.00 per bushel; this was 14 off the high and 10 up from the low. July Wheat closed up 19.75 cent at \$606.50 per bushel. This was 4.5 up from the low and 14.5 off the high. After reaching new highs in overnight session, wheat traded at lower side on the news of the drizzles over Australia's wheat growing region and long liquidation sell off. The rainfall over Australia will save the wheat crop from drought. The wheat market was due to trade lower after reaching all time highs. The news of the buying from Algeria and Japan at their weekly tender supported the market sentiment. Algeria has bought between 500,000 to 700,000 tonnes of milling wheat. Japan bought 175,000 tonnes of wheat at their weekly tender with 110,000 of the total coming from the US. There is also news that Morocco bought 125,000 tonnes of US hard red wheat helped the market recover from the early lows.

News Analysis

Australian Wheat Output Around 18.5 Million Metric Tonnes: Emerald Group

As per the estimates of Emerald Group Australia Pty. Ltd., production from Australia's wheat crop to be harvested which spans from October to December may stood around 18.5 million metric tonnes, down from the earlier official June estimate of 22.5 million tonnes. If rain not favours which is required for maturity of crop, the production may further drop to 15 million tonnes. The lower production in Australia may limit the export of wheat, which may further push up the prices in future. Most of the wheat crop growing areas is short of required rainfall and experiencing dry spell in recent weeks. Australia exports in bulk during the harvesting period, as traders prefer to trade on old crop to make way for the new crop

Manitoba Wheat Harvest Nearing Completion

In Manitoba, due to favourable weather conditions, harvest made significant progress although rains over some wheat growing regions slowed down the harvest. New-crop winter wheat seeding is in full swing with 65% complete, and some producers are waiting for rain due to extreme dryness, Manitoba Agriculture said. Harvest of wheat crop in the southern and eastern regions of the province were virtually complete and nearing completion in rest areas.

Egypt Bought 470,000 Tonnes US & Russian Wheat

Egypt bought 470,000 metric tonnes of U.S. and Russian wheat in a tender floated by the state-owned General Authority for Supply Commodities. Of the total volume, 300,000 tonnes of mixed U.S. wheat and 170,000 tonnes of Russian wheat.

Weather Impact Analysis

The recent rainfalls over the wheat-growing region are beneficial for the wheat crop as it will conserve moisture which will enhance the growth of wheat crop.

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