

■ W H E A T

■ Sept. 07, 2007

Domestic Market Recap

During Thursday's trade, Wheat prices traded steady to weak as increased arrivals outpaced lower buying from the consuming units. In northwestern India, trading activity was subdued due to rainfall as supply was obstructed. Wheat traded up in Rajkot (loose), Karnal (Haryana) and Khanna (Punjab) on good demand against restricted supply. In Delhi (Lawrence road), Haryana (Palwal) loose, and (Hodal) loose, wheat traded at lower side at Rs.1000/qttl, Rs.925/qttl and Rs.930-935/qttl respectively against the increased arrivals of 15000, 300 and 50 qtls correspondingly. Increased supplies against normal demand from rolling flour mills pulled down the wheat prices in most of the markets. 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.336, Chakki Atta 90kg at Rs.950. In the coming days, wheat may trade at upper side due to lower stocks and government's plan of import of wheat at more than double price of minimum support price provided to the farmers. The centre has asked the 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/qttl)		Change	Arrivals (Qtls)
		06.09.07	05.09.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1000	1005	-5	15000
Delhi (Narella) Loose	Mill quality	960-965	-	-	3000
Haryana (Palwal) Loose	Mill quality	925	935	-10	300
Uttar Pradesh (Mathura) Loose	Mill quality	935	938	-3	1500
Uttar Pradesh (Kosi) Loose	Mill quality	925-930	936	-6	200
Haryana (Hodal) Loose	Mill quality	930-935	945	-10	50
Gujarat (Rajkot) Loose	Mill quality	945-950	940-945	+5	400
Rajasthan (Kota)	Mill quality	1050-1055	1065	-10	
Uttar Pradesh (Kanpur)	Mill quality	1015-1020	1015-1020	-	1500
Madhya Pradesh (Indore)	Mill quality	1045-1050	1045	-5	
Uttar Pradesh (Bareilly)	Mill quality	1000	1005	-5	700

International Futures Quotes (as of September 5, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	808.25	886.00	808.25	842.50	+35.50
December 2007	817.00	835.50	815.5	835.50	+30.00
March 2008	811.25	831.25	811.00	831.25	+30.00

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	781.00	781.00	780.00	781.00	+30.00
December 2007	768.75	791.25	768.00	791.25	+30.00
March 2008	773.00	793.50	771.50	793.50	+30.00

International Market Recap
CBOT Wheat Futures Settled Up

CBOT wheat futures settled up Wednesday. December Wheat finished up 30 cent at \$835.50 per bushel; this was equal to the high and 11.5 up from the low. July Wheat closed up 5.25 cent at \$626.25 per bushel. This was 11.25 up from the low and 11.75 off the high. Prices closed higher with the new buying from South Korea, Taiwan, Egypt and Iraq overnight helped drive the market sharply higher again. Chicago, Minneapolis, Kansas City and Paris wheat futures all traded at positive side and posted new all-time highs. Milling wheat futures moved to a record high 300 euros/tonne, which equates to \$11.09 per bushel. Although India is not buying wheat from US, but as India is buying a large quantity of wheat, it put pressure in the world wheat market. There were 244 deliveries against the September wheat overnight. Taiwan bought 46,000 tonnes of US wheat and South Korea bought 22,000 tonnes of US wheat overnight. The wheat prices also surged as dry spell is continuing over Australia's wheat growing region, which may reduce the production.

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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