

■ W H E A T

■ Sept. 13, 2007

Domestic Market Recap

During Wednesday's trade, Wheat prices eased in Delhi and neighbouring Delhi mandis on a lower offtake from the consuming units against the restricted arrivals. But wheat traded firm on other major domestic markets on a tight supply against a good festive demand. Firm sentiment was also helped by the growing demand from the roller flour millers as they are accelerating stocks ahead of the festive season. Gujarat (Rajkot), Punjab (Sunam) and MP (Bhopal) on loose basis traded firm on a tighter supply against good demand. In Delhi (Lawrence Road) Ready delivery quoted lower at Rs.1010/qty against lower arrival of 10000 bags. 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 and Chokar traded 50kg steady at Rs.340. In some parts of the country, where coming of soya crop is imminent, farmers are busy in unloading their stocks, which may ease wheat prices to some extent. In coming days, wheat may trade at upper side due to lower stocks and government's buying of wheat at a higher price. The commodity is also likely to trade higher as global wheat prices touching successive highs.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qty)		Change	Arrivals (Qty)
		12.09.07	11.09.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1010	1012-1015	-5	10000
Delhi (Narella) Loose	Mill quality	-	984-987	-	4000
Haryana (Palwal) Loose	Mill quality	930-932	940	-8	500
Uttar Pradesh (Mathura) Loose	Mill quality	936	947	-11	1500
Uttar Pradesh (Kosi) Loose	Mill quality	932	933-940	-8	600
Haryana (Hodal) Loose	Mill quality	935	945-950	-15	300
Gujarat (Rajkot) Loose	Mill quality	960-965	950-955	+10	4000
Rajasthan (Kota)	Mill quality	1060-1065	1070	-5	200
Uttar Pradesh (Kanpur)	Mill quality	1015-1020	1020	-	1100
Madhya Pradesh (Indore)	Mill quality	1040-1050	-	-	
Uttar Pradesh (Bareilly)	Mill quality	1005-1010	1005-1010	-	600

International Futures Quotes (as of September 11, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
September 2007	848.00	871.00	846.00	871.00	+22.00
December 2007	862.00	891.00	858.00	890.50	+29.50
March 2008	860.00	891.50	858.50	891.50	+30.00

KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	833.50	860.00	833.50	860.00	+30.00
December 2007	833.00	859.00	829.00	859.00	+30.00
March 2008	824.00	853.25	823.00	853.25	+30.00

CEREAL

Agriwatch
DAILY

W H E A T

Sept. 13, 2007

International Market Recap

CBOT Wheat Futures Settled Up

CBOT wheat futures settled up Tuesday. December Wheat finished up 29.50 cent at \$890.50 per bushel; this was .50 off the high and 32.5 up from the low. July Wheat closed up 6 cent at \$598.00 per bushel. This was 10 up from the low and 1 off the high. December wheat closed sharply higher on active fund and technical buying. Concern over drought in Australia's major wheat growing areas; good export demand and the tight world and US stock further imparted bullishness in wheat futures. Stats Canada reported Canada's wheat stocks as of July 31st were 6.828 million tonnes, down 29% from last year. This was below trade estimates of 7-8.6 million. Wheat is also traded in looking into tomorrow's USDA report to cut world wheat production by 5 to 6 million tonnes.

News Analysis

Canada's Wheat Supplies Pegged at 6.828 MT: Statistics Canada.

Statistics Canada pegged all-wheat supplies in Canada at the end of the 2006-07 (August/July) crop year at 6.828 million metric tonnes compared with the pre-report estimates that ranged from 7.000 million to 8.000 million tonnes. All-wheat supplies at the same time in 2005-06 totaled 9.638 million tonnes. According to the government agencies, the lower wheat stocks were the result of above-average export demand brought on by the tight world supply and demand situation. There is also talk in some quarters that the supply tightness in Canada may be offset by report of higher-than-expected yield potential from wheat crops in central and northern Alberta. However, the problem is that the crop is late in maturity and in turn the quality may be downgraded by frost. Stats Canada pegged canola supplies as of July 31 at 1.820 million tonnes, which was at the high end of pre-report ideas that ranged from 1.300 million to 1.800 million tonnes. Canola supplies at the end of the 2005-06 crop year totaled 2.007 million tonnes.

Iraq Plans to Import Australian Wheat

Government officials from Iraq have started talks with Australian wheat exporter AWB (AWB.AU) to purchase large quantities of hard wheat. The Trade Ministry in cooperation with the AWB has started talks with senior government officials to purchase Australian wheat, Trade Minister said. The two countries had no commercial relationship since February, 2006, following revelations at an Australian inquiry investigating kickbacks of U.S. \$221.7 million paid by AWB to Saddam Hussein's regime to secure wheat sales under the U.N. oil-for-food programme. The requirement for Iraq to buy annually is about 3.8 million tonnes of wheat.

Australia's Victoria Wheat Production Around 4.4 MT

According to an agronomist with the Department of Primary Industries, production from a new wheat crop in Australia's Victoria state could reach a record 4.4 million metric tonnes. If there is a poor finish, wheat production would be around 2.5 million tonnes and if there is good finish; yield could be around 5.5 million tonnes. Since 1996-97, the country generally produces above 20 million tonnes or around 10 million tonnes, which shows when Australia misses, misses in a big way. This year, Australia's wheat production would be around 18 million tonnes. At present, good rainfall is required to maintain current crop yields.

China's Wheat Output Around 107 MT in 2007

Central government expects China's wheat output in 2007 to stand around 107 million tonnes, up 2.54 million tonnes from last year. The increased production is due to increase in output per hectare following the promotion of good quality wheat seeds.

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.

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.