

# CEREAL

**Agriwatch**  
DAILY

## WHEAT

Sept. 11, 2007

### Domestic Market Recap

During Monday's trade, Wheat prices mostly traded steady to lower in most of the major mandis as increased arrivals offset normal demand from the consuming units while quoted higher in Delhi and Rajasthan on strong demand against the increased arrivals. In Delhi (Lawrence Road) Ready delivery and Narella (loose basis) quoted up at Rs.1015/qtl and Rs.982-985 on a good buying from the roller flour millers against increased arrivals of 21000 and 5000 qtls respectively ahead of the festive season. In Uttar Pradesh, Haryana and Madhya Pradesh, wheat traded down on a lower offtake against the increased arrivals. The unloading of stocks in MP, UP by farmers and stockists further imparted bearishness in market 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.340. In coming days, wheat may trade at upper side due to lower stocks and government's buying of wheat at more than double price of minimum support price provided to the farmers. The commodity is also likely to trade higher as global wheat prices touched its record high since India's wheat import tender.

### Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals (Qtls)
		10.09.07	08.09.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1015	1010	+5	21000
Delhi (Narella) Loose	Mill quality	982-985	960-982	+3	5000
Haryana (Palwal) Loose	Mill quality	937	935-938	-1	700
Uttar Pradesh (Mathura) Loose	Mill quality	945	946-947	-2	3000
Uttar Pradesh (Kosi) Loose	Mill quality	932-940	940	-	700
Haryana (Hodal) Loose	Mill quality	945-948	950	-2	650
Gujarat (Rajkot) Loose	Mill quality	960-965	960-970	-5	3000-4000
Rajasthan (Kota)	Mill quality	1065	1055-1060	+10	
Uttar Pradesh (Kanpur)	Mill quality	1020	1025	-5	1100
Madhya Pradesh (Indore)	Mill quality	1040-1050	1055-1060	-10	
Uttar Pradesh (Bareilly)	Mill quality	1005-1010	1010-1015	-5	600

### International Futures Quotes (as of September 7, 2007)

#### CBOT

Contract Month	Open	High	Low	Settle	Change
September 2007	815.00	840.00	813.50	840.00	+24.00
December 2007	818.00	848.00	816.00	843.50	+19.50
March 2008	817.00	845.00	814.00	843.50	+19.50

#### KCBT

Contract Month	Open	High	Low	Settle	Change
September 2007	806.00	810.00	783.00	810.00	+20.00
December 2007	787.50	810.00	781.00	807.50	+18.75
March 2008	783.00	805.00	778.50	798.25	+13.25

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## W H E A T

Sept. 11, 2007

### **International Market Recap** **CBOT Wheat Futures Settled Down**

CBOT wheat futures settled up Friday. December Wheat finished up 19.50 cent at \$843.50 per bushel; this was 4.50 off the high and 27.50 up from the low. July Wheat closed down 13 cent at \$593.50 per bushel. This was 2.5 up from the low and 9.5 off the high. Good sell-off in European wheat and talk of the overbought technical condition of the market helped the early selling pressure but the market recovered against the depreciation of US dollar and recovered the early lows and touched the sessions high. Speculating buying pushed the market higher into the close and closed at a new all time high. Solid export demand from the high price level also provided support. Some rain over the wheat growing areas of Australia and the forecast of more rain in next 10 days erased the early losses and reduced the selling pressure. Weekly US export sales for wheat came in at 718,600 metric tonnes as compared to trade expectations of 800,000-1,200,000. Cumulative sales have reached 59.0% of the USDA forecast for the entire 2007/2008 season as compared to just 39.4% on average over the last five years. The USDA confirmed a sale of 110,000 tonnes of hard red winter wheat to unknown destination. Iraq bought 200,000 tonnes of hard red wheat overnight.

### **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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