

## ■ W H E A T

■ Sept. 10, 2007

**Domestic Market Recap**

During Saturday's trade, Wheat prices continuously traded firm in most of the major markets on a good buying from the consuming units ahead of festive season against the steady arrivals. However, prices traded a tad lower at Delhi (Lawrence road), Bhopal (MP) Punjab (Sunam) loose on a lower offtake from the consuming units against the steady arrivals. 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 down at Rs.1010/qtl against the steady arrival of 9000. 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 at 50kg at Rs.338. 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 buying of 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/qtl)		Change	Arrivals (Qtls)
		08.09.07	07.09.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1010	1010-1012	-2	9000
Delhi (Narella) Loose	Mill quality	960-982	965-66	+16	4500
Haryana (Palwal) Loose	Mill quality	935-938	920-922	+16	500
Uttar Pradesh (Mathura) Loose	Mill quality	946-947	945	+2	1400
Uttar Pradesh (Kosi) Loose	Mill quality	940	931-932	+8	400
Haryana (Hodal) Loose	Mill quality	950	936-940	+10	400
Gujarat (Rajkot) Loose	Mill quality	960-970	960-970	-	400
Rajasthan (Kota)	Mill quality	1055-1060	1055	+5	
Uttar Pradesh (Kanpur)	Mill quality	1025	1020-1025	-	1100
Madhya Pradesh (Indore)	Mill quality	1055-1060	1060	-	
Uttar Pradesh (Bareilly)	Mill quality	1010-1015	1005-1010	+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

### 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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