

CEREAL

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DAILY

WHEAT

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Domestic Market Recap

During Friday's trade, on increased buying from the stockists and retailers, wheat prices mostly traded steady to better against the tight supply ahead of the festive season. Markets also experienced good demand from the rolling flour millers. In Karnataka and Maharashtra, wheat mostly traded steady to lower Rs.1250-1260 and Rs.1140-1145 respectively on lower offtake from the consuming units against a sustained supply. In Gujarat (Rajkot) loose basis dipped as stockists offloaded their stocks in the prices Rs.1020 amid the arrival of 2200 qtls. Lifting ban on import of non-basmati rice further prevented the upward movement of wheat prices. In Delhi Lawrence road, wheat mostly traded steady against the increased arrival of 9000 qtls on good demand ahead of the festive season. In Delhi mandis, various wheat products mostly traded range bound while Chokar (34kg) traded down Rs.263. Meanwhile, Rajasthan govt. asked the Union agriculture minister to order FCI to provide only indigenous wheat. Rajasthan civil suppliers minister also said that since last one year, FCI has been supplying lower quality imported wheat to the state for public distribution which public no more interested to take. In Argentina, in first official forecast, 2007-08. wheat crop seen at 14.5-15.3 million tonnes. In Australia, rains arrived too late for wheat, initial yields confirm poor harvest. Wheat sowing has picked up the pace in the wheat growing areas. In coming days, wheat may rule at higher side with festive as well as winter season demand.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qty)		Change	Arrivals (Qtls)
		26.10.07	25.10.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1060	1060	-	9000
Delhi (Narella) Loose	Mill quality	1025-1040	1015	+25	2000
Delhi (Najafgarh) Loose	Mill Quality	1020-1027	1019	+8	2000
Haryana (Palwal) Loose	Mill quality	980	979	+1	200
Uttar Pradesh (Mathura) Loose	Mill quality	1000	1003	-3	900
Uttar Pradesh (Kosi) Loose	Mill quality	982-990	985	+5	350
Gujarat (Rajkot) Loose	Mill quality	1020	1045	-25	2200
Rajasthan (Kota)	Mill quality	1080-1085	1080-1085	-	1000
Uttar Pradesh (Kanpur)	Mill quality	1030-1035	1030-1035	-	800
Madhya Pradesh (Indore)	Mill quality	1085-1090	1085-1090	-	300
Uttar Pradesh (Bareilly)	Mill quality	1020-1025	1020-1025	-	2000

International Futures Quotes (as of October 25, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
December 2007	798.00	814.00	796.00	802.00	-9.00
March 2008	816.00	832.00	815.50	821.25	-10.25
May 2008	780.00	791.00	780.00	780.50	-8.75

KCBT

Contract Month	Open	High	Low	Settle	Change
December 2007	815.00	837.00	815.00	825.00	-4.75
March 2008	828.00	842.50	826.00	834.50	-4.00
May 2008	800.00	812.00	797.00	797.50	-6.50

COMMODITIES RESEARCH

International Market Recap**CBOT Wheat Futures Closed Lower**

CBOT wheat futures settled down Thursday. December Wheat finished down 9 cent at \$802.00 per bushel; this was 12 cent off to the high and 6 cent up from the low. July Wheat closed up 4.75 cent at \$662.50 per bushel. This was 13.5 up from the low and 1.5 off the high. On increased selling pressure, CBOT futures closed the lowest since August. Ideas that export will continue to slow and follow-through technical selling helped drive wheat futures lower early in the session. Weekly US export sales for wheat came in at 602,800 metric tonnes as compared to trade expectations between 850,000-1,050,000. Weekly sales were the lowest since June which was seen as a bearish factor but with the export pace so far ahead of expectations, sales need to slow in order to avoid a significant adjustment higher in exports and lower in ending stocks. Cumulative sales have reached 84.4% of the USDA forecast for the entire year as compared to 53.3% on average over the last five years. Sales of just 152,200 metric tonnes per week are needed to reach the USDA estimate. News that that Russia will not impose a 30% export tariff in the near future and will wait to see what happens with a 10% tariff on Nov. 12th foreword helped trigger the 87.75 cent break off of Tuesday's peak.

News Analysis**To Check rise in world prices, Russia plans to slap a prohibitive tariff on wheat exports**

In order to abrupt the rise in world prices, the government plans to slap a prohibitive tariff on wheat exports, believes analysts. According to an official in the Economic Development and Trade Ministry, the ministry was considering recommending a tariff of 30 percent, or no less than 70 euros (\$100) per tonne of wheat. There is currently no tariff on wheat exports but a tariff of 10 percent is due to be imposed from mid-November. According to chief executive of agricultural analyst group SovEcon, the setting of a prohibitive tariff is very likely otherwise government grain sales to the market would appear to be stimulating exports. The sharp increase in the tariff could have a dramatic impact on the world wheat market, pushing prices up. The Russian Grain Union said Friday that it would oppose setting the new tariff, because it could hurt domestic grain growers.

To Remove the Difference Between Wheat and Rice MSP: LK Advani

In a letter to the Prime Minister, Leader of Opposition party, Mr LK Advani asked the government to remove the difference between the Minimum Support Prices of wheat and paddy crop which otherwise is leading to discontent among South Indian farmers as there has no relation to the cost of cultivation. While the government has fixed MSP of Rs 1,000 per quintal for wheat in the coming season, paddy growers would get Rs 645 per quintal for common variety.

Pakistan FCA Set to Announce Wheat Support Price Rs.518 per 40 KG

After the Economic Coordination Committee (ECC) recommendation, to increase wheat support price for the coming crop, the Federal Committee on Agriculture (FCA) of Pakistan is set to announce on Tuesday a price of Rs518 per 40kg against last year's price of Rs425. The Ministry of Food, Agriculture and Livestock (MINFAL) had proposed wheat support price of Rs500 per 40kg for the coming Rabi crop from the existing price of Rs425 per 40kg at the last meeting of the ECC for its approval. According to a government official, as less area under cultivation is recorded worldwide because of greater sowing of other staple foods such as maize and barley in the major food exporting countries because they have switched over to maize, cheaper source of biofuel in western countries.

Rajasthan Appeals Union Agriculture Minister To Supply Only Indigenous Wheat

Reporting to the quality of imported wheat is poor quality which led to the public dissatisfaction, government of Rajasthan has asked the centre to supply only indigenous wheat. Writing a letter to Union Agriculture Minister, state food and civil supplies minister said that Rajasthan has been receiving imported wheat of small size and red colour for the past one year. Minister has also asked the Minister to order FCI to supply only indigenous wheat to the state so as to redress the grievance of people at large

Weather Impact Analysis

Sowing conditions are good following good monsoon in rain-fed areas. Cool winter forecast for the current year favours wheat crop.

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