

■ W H E A T

■ Oct. 29, 2007

Domestic Market Recap

During Saturday's trade, on increased buying from the stockists and retailers, in most of the major trading centres, wheat prices mostly traded steady to better against the tight supply ahead of the festive season. However, prices dipped in various mandis of UP and Haryana on sustained arrival against steady to lower demand. Further central government's planning of increasing MSP of rice as per wheat further prevented the upward movement. But Delhi (Lawrence road) ready delivery mostly traded steady on a steady demand-supply situation. In Delhi (Lawrence road) ready delivery traded in its pervious price level of Rs.1060 against the arrival of 12000 qtls. On good offtake ahead of the festive season from the consuming units, various wheat products mostly traded steady. In south markets particularly Karnataka and Maharashtra, wheat traded in the range of Rs.1285 and Rs.1160-1170/qty respectively. Markets also experienced good demand from the rolling flour millers. Wheat sowing has been picked up the pace in most the wheat growing areas. Global wheat production is forecast at 602 million tonnes, 1 million more than last month, increases in Russia and Kazakhstan more than offsetting reductions in the EU and the US. Very high prices are having some effect on consumption. The forecast of world trade is also unchanged at 105 million tonnes. Shipments by Russia have surged ahead of the planned introduction of a 10% export tax. According to China's National Grain & Oil Trade Center, China is all set to sell 200,000 metric tons of imported wheat from state reserves in an auction on Nov. 1.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qty)		Change	Arrivals (Qty)
		27.10.07	26.10.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1060	1060	-	12000
Delhi (Narella) Loose	Mill quality	1025-1040	1025-1040	-	1200
Delhi (Najafgarh) Loose	Mill Quality	1024-1030	1020-1027	+3	2500
Haryana (Palwal) Loose	Mill quality	970-975	980	-5	300
Uttar Pradesh (Mathura) Loose	Mill quality	990	1000	-10	1000
Uttar Pradesh (Kosi) Loose	Mill quality	975-986	982-990	-4	400
Gujarat (Rajkot) Loose	Mill quality	1030-1035	1020	+15	1000
Rajasthan (Kota)	Mill quality	1085-1092	1080-1085	+7	1000
Uttar Pradesh (Kanpur)	Mill quality	1035-1040	1030-1035	+5	500
Madhya Pradesh (Indore)	Mill quality	1085-1090	1085-1090	-	300
Uttar Pradesh (Bareilly)	Mill quality	1010-1015	1020-1025	-10	11000

International Futures Quotes (as of October 26, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	808.00	809.00	795.00	800.00	-2.00
March 2008	828.00	828.50	815.00	822.00	+0.75
May 2008	787.00	788.00	782.00	784.50	+4.00

KCBT

Contract Month	Open	High	Low	Settle	Change
December 2007	830.00	833.00	820.00	827.50	+2.50
March 2008	840.00	841.00	829.00	837.00	+2.50
May 2008	803.00	804.00	792.00	793.00	-4.50

CEREAL

Agriwatch
DAILY

W H E A T

Oct. 29, 2007

International Market Recap

CBOT December Wheat Futures Closed Lower

CBOT wheat futures settled down Friday. December Wheat finished down 2 cent at \$800.00 per bushel; this was 9 cent off to the high and 5 cent up from the low. July Wheat closed up 14.5 cent at \$677.00 per bushel. This was 11 up from the low and 2 off the high. In the early session, wheat futures traded higher with the support from the strength of the outside markets but could not sustain due to aggressive selling and settled lower. New crop July wheat closed sharply higher on the session as spreads corrected. News is that there may be more rain in the southwestern plains. Talk of poor yields for the Australian wheat harvest failed to provide much support as there is a perception that a low Australian crop has already been absorbed by the market. South Korea bought 25,000 tonnes of US wheat. Slower than expected export sales news Thursday and ideas that world planted area will soar for the 2008 crop helped limit the buying support early.

News Analysis

China To Auction 200,000 Tonnes Of Imported Wheat

According to China's National Grain & Oil Trade Center, China is all set to sell 200,000 metric tons of imported wheat from state reserves in an auction on Nov. 1. China usually holds auctions of imported wheat once or twice a month to meet domestic demand. On its latest auction on Oct. 25, govt. sold 9,114 tonnes of imported wheat.

World wheat area is projected to increase by 3% (6 million hectares) to 220 million hectares.

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.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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