

■ W H E A T

■ Dec. 04, 2007

Domestic Market Recap

During Monday's trade, domestic wheat prices mostly traded steady to firm on good offtake by the roller flour millers against the tight supply. The lower winter wheat acreage and dry weather over MP and UP further supported positive tone. Although lagging, wheat sowing is progressing well. In Punjab, Haryana and Gujarat, sowing is nearing for completion. As of 30th November, wheat has been sown in 146 lakh ha as compared to 80 lakh ha at the end of last week. However, it is yet low as compared to the acreage under wheat during the corresponding period last year's 180 lakh ha. Meanwhile, as per a senior govt. official, Indian state-run trading company PEC Ltd. received six bids for its latest wheat tender. Among the bid received, Cargill, Glencore and Concordia are the major trading firms. In Delhi (Lawrence road), ready delivery and its surrounding mandis, wheat traded steady to up on a good offtake from the consuming units against restricted arrival. In southern markets like Bangalore and Mumbai, wheat traded in the range of Rs.1260-1270 and Rs.1150-1155/qtl on a good buying. In Delhi mandis, various wheat products mostly traded steady as Atta (90kg) at Rs.1063, maida grade 1 (90kg) at Rs.1265, Suji (50kg) at Rs.705, Chokar (50kg) at Rs.403 and Chakki atta (90 kg) at Rs.980.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qtl)		Change	Arrivals (Qtls)
		03.12.07	01.12.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1045-1052	1045-1052	-	9000
Delhi (Narella) Loose	Mill quality	1000-1025	1000-1013	+12	1500
Delhi (Najafgarh) Loose	Mill Quality	1008-1016	1007-1013	+3	1200
Haryana (Palwal) Loose	Mill quality	960	962	-2	400
Uttar Pradesh (Mathura) Loose	Mill quality	960-980	970	+10	550
Uttar Pradesh (Kosi) Loose	Mill quality	978-983	978-984	+1	250
Gujarat (Rajkot) Loose	Mill quality	975	970-975	-	2500
Rajasthan (Kota)	Mill quality	1040-1050	1045-1050	-	100
Uttar Pradesh (Kanpur)	Mill quality	1025-1030	1020-1025	+5	100
Madhya Pradesh (Indore)	Mill quality	1040-1045	1040-1045	-	400
Uttar Pradesh (Bareilly)	Mill quality	995-1000	990-1000	-	500

International Futures Quotes (as of November 30, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	855.00	888.00	849.00	867.00	-2.00
March 2008	875.00	911.50	868.00	885.50	-2.75
May 2008	870.00	903.00	863.50	880.50	-1.50

KCBT

Contract Month	Open	High	Low	Settle	Change
December 2007	883.00	925.00	883.00	907.00	+11.50
March 2008	886.00	928.00	885.00	906.00	-0.25
May 2008	875.00	917.00	875.00	894.00	-

International Market Recap**CBOT Wheat Futures Settled Mixed**

CBOT wheat futures settled mixed on Friday. March Wheat finished down 2.75 cent at \$885.50 per bushel; this was 26 off to the high and 17.5 cent up from the low. July Wheat closed up 15.5 cent at \$762.00 per bushel. This was 27 up from the low and 12 off to the high. CBOT wheat futures like markets of soy bean and corn opened weak but gradually recovered with the strength from the outside markets like crude oil. The Commitments of Traders Report will confirm whether this short covering needs to continue, or if it is near and end. Longer term influences remain supportive including crop weather and strong export sales. Despite cancellation of a tender for 77,500 tonnes of wheat, Taiwan has simply deferred this needed purchase of wheat to a later date..

News Analysis**India receives wheat supply offers at \$397-488/tonne**

Government of India on Monday received offers in the range of USD 397-488 per tonne for imported wheat as eight companies participated in the MMTC's tender process. Eight companies, including Glencore, Cargill and Concordia Agritrading participated in the bidding and offered to supply imported wheat at USD 397.03 and USD 487.95 per tonne C&F. However, the tender document of a bidding firm - Starcom was rejected by MMTC, the source said, adding that AWB India - a firm floated by Australia Wheat Board, participated for the first time in the tender this year. MMTC had, on November 12, floated a global tender for importing unspecified quantity of wheat limiting the vessel size to ports' handling capacity. The decision on the tender would be taken by November 24, MMTC had said. The new tender is for delivery by February 10, through eight ports – Mundra, Kakinada, Kandla, Chennai, Vishakhapatnam, Tuticorin, Cochin and Mumbai. The global suppliers have quoted the lowest price for wheat to be delivered at Mundra port but have quoted higher rates for delivery at other ports, the source said. The wheat buffer stock stood at 101.21 lakh tonnes as of October 1 against the stipulated 110 lakh tonnes.

Argentina Harvested 14% Wheat Crop

As per Argentina's Agriculture Secretariat, by November 29, Argentina's total wheat harvesting stood around 14 per cent, below 18 percentage points harvested in the last season. Yields from the early wheat have averaged about 2 metric tons per hectare. The Secretariat estimated 2007-08 wheat production around 15.4 million tonnes.

Wheat Rabi Acreage Is lagging

As per data compiled by Agriculture Ministry as on 30th November, Wheat has been sown in 146 lakh ha as compared to 80 lakh ha at the end of last week. However, it is yet low as compared to 180 lakh ha, the acreage under wheat during the corresponding period last year.

Germany's 2008 Wheat Area Estimation Up 6%-7% - Toepfer

As per Hamburg-based grain trading house Toepfer International report, Germany's 2008 wheat acreage is estimated to be up 6-7% on the year at approximately 3.2 million hectares.

PEC Received Six Bids For Its Wheat Import

As per a senior govt. official, Indian state-run trading company PEC Ltd. received six bids for its latest wheat tender. Among the bid received, Cargill, Glencore and Concordia are the major trading firms.

Weather Impact Analysis

Sowing conditions are good following good monsoon in rain-fed areas. Cool winter forecast for the current year favours wheat crop. However, states like UP and MP requires one to two showers for wheat sowing.

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