

Domestic Market Recap:

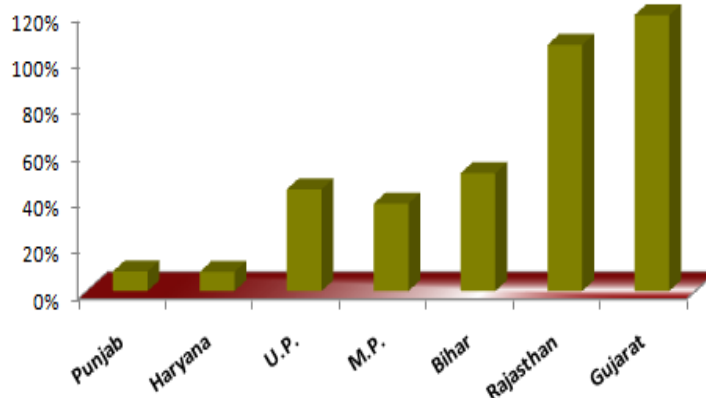
- Rising possibility of export lent support to wheat market.
- Decision on export likely in the first week of July.
- Export Parity turns into negative with dwindling overseas market.
- India lost export opportunity to cash in overseas market despite huge stock.
- Lack of adequate storage spaces may pose problem going ahead with Kharif harvest.
- Total storage space Covered/CAP is not enough for procured wheat & rice during current season.
- If government announce freight subsidy to encourage wheat export as it was during 2002 it will unable to fetch exporters attention as export parity vanish at current market prices.
- Wheat price for medium to long term depends on government policies as major chunk of stock is lying with the government.
- Higher production y-o-y and lower net realization by the farmers compared with its competing crops shall stand discouraging for wheat are for 2011-12 owing to possible crop substitution.

Market Commentary:

Laden with hefty stock and storage crunch India may reconsider allowing of wheat export through private channel. The GoM is sitting next week for allowing wheat and rice export. India may allow 2million T wheat and 1 million T rice export with ample stock in its reserve. Given the international scenario wheat export from India is not feasible despite some improvement seen in the international market. If government to plan export, they need to give additional support to the exporters by means of subsidies to make it viable. Now food department and farm ministry are in favour of allowing export. The government is under pressure from the farming lobby to export agricultural produce.

However, wheat cash and future market remained under extreme pressure on higher supply and continuous arrivals in states like Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar and Gujarat even during the lean season when generally crop arrivals drop significantly during June – July. Prices of wheat ruled below MSP in major regions of the above mentioned states owing to inadequate procurement from regions where central and state agencies were having limited counters. Wheat procurement activity by government agencies is expected to end on 30th June despite expectation of arrivals to continue in major trading centers. Month on month arrivals from different states stay significantly high during the fag end of the season when compared with 2010 primarily attributed to higher production projection as shown in the adjacent chart. However, the intensity of arrivals might decline going ahead with the monsoon season but will stay relatively higher when compared with previous year.

% Change in Wheat Arrivals for June 2011 vs 2010



On domestic trading front, Wheat is being loaded from Bihar (a land locked state where prices are ruling below MSP) to Orissa and West Bengal (both states are having port facilities and having

facilities to handle cargo). Meanwhile, wheat from North Indian region also starts moving to south owing to higher price differential. States which reports shipment of wheat to south are M.P., U.P. and Rajasthan with absolute gain of 2% from a single trade with signifies annualized return of 24% during the current period. This means high level of returns and opportunity exist in North – South trade which will stand encouraging for the traders to book their order and to take the advantage of current wheat prices which is still ruling below MSP in majority of the trading centers.

Traders and brokers are supplying wheat to south India from Gujarat too as they get higher margin due to cheaper availability. Wheat (mill delivery) sells at Rs 1,125-1,150 a quintal in most of the northern markets (Rajasthan, UP and MP) and below Rs 1,100 in Gujarat, Bihar and eastern UP, when compared with Rs 1,200-1,250 at the same time a year ago. Wheat prices in Gujarat is continue to rule weak despite end of the arrival season which is primarily attributed to continuation of scattered wheat arrivals which is of inferior quality. Lower protein content which is stated to below 9% from the region is weighing on the market sentiments. Millers are not seen active to buy the current quality of wheat from Gujarat and most of the new arrivals are going to the feed industry. Currently, wheat (mill quality) from Gujarat at mill gate in southern states (Pune and Hyderabad) costs Rs 1,350-1,400 a quintal at current market price.

Wheat Trade Channel Market Expenses from Production Centers to Consumption Centers

Sourcing Market	Rajkot	Kota	Kanpur (UP)	Gulab Bagh (Bihar)	Bhopal (MP)
Consumption Centers	Hyderabad	Coimbatore	Ambikapur/ Baikunthpur (Orissa)	Sambhalpur (Orissa)	Pune
Loose prices (Rs/Qtl)	1130	1115	1130	1030	1110
Puccka Aadatiya Commission %	11.30	11.15	11.30	10.30	11.10
Market Fee % (as applicable for different' mandi)	0.00	0.00	22.60	20.60	17.76
Other mandi expenses /Hamali	0.00	0.00	11.30	15.45	16.65
Cleaning/Loading Charges (Rs/Qtl)	5.00	5.00	5.00	5.00	5.00
Gunny Bag Cost (@ 35 and can be used for 4 times)	40.00	40.00	40.00	40.00	40.00
Market expenses borne by purchaser/miller/crushers	56.30	56.15	90.20	91.35	90.51
Transportation Cost (Rs/Qtl)	160.00	180.00	115.00	125.00	150.00
Insurance (if any)	2.83	2.79	2.83	2.58	2.78
Unloading at destinations (Rs/Qtl)	5.00	5.00	5.00	5.00	5.00
Total transport cost + loading/unloading	167.83	187.79	122.83	132.58	157.78
Total cost at factory gate (Rs/Qtl)	1354.13	1358.94	1343.03	1253.93	1358.29
Local Prices at Consumption Center (Rs/Qtl)	1362.50	1450.00	1365.00	1305.00	1425.00

Parity/Disparity (Rs/Qtl)	8.38	91.06	21.97	51.08	66.71
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Export parity turns negative:

Government un-willingness to open the wheat export resulted closing of the export opportunity window which existed till May end. Sharp decline in global wheat prices owing to better global wheat supply and better production prospect from the northern hemisphere continue to extend weakness in global prices. Since most of the market players are waiting for notification from the government for wheat export to en-cash export opportunity from Gujarat ports but no major shift in export policy by the government stands discouraging for the Indian exporters. With significant decline in wheat prices in its bench mark market of CBOT the parity which was seen till May end was turn into disparity at current market prices.

With expectation of domestic prices to inch up going ahead couple with supplies from US, Russia and Ukraine we expect disparity to widen further. At the same time domestic wheat prices might gain further support during medium term owing to higher cost of carry month on month. Cost of carrying stock month on month stay close to Rs 30 per Qtl. including interest on capital and other charges.

Meanwhile, relatively higher Open Market Sale Scheme Prices (OMSS) set by the government resulted very low buying interest by the millers as they found wheat relatively cheaper in the open market when compared with the government selling prices of Rs 1254/Qtl in northern region for bulk consumers. Going ahead with dwindling arrivals during lean season of Aug – Sep period we expect bulk consumers such as flour mills/Chakki might look forward to buy wheat from the government agencies which might lend underlying support to the wheat prices during medium to long term especially before the festivals. The following table shows the ratio between production and procurement:

Year (million tonnes)	Production	Procurement	% Share
2010-11	80.7	22.5	28
2011-12	85.1	27.7	32

Wheat Availability and Central Pool Budget:

Considering current procurement and wheat availability at central pool couple with the wheat allotment for different government schemes we expect ample wheat stocks available with central and state agencies which negate strongly the traders view for significant jump in domestic wheat prices during July to Dec.

Given hefty stock as on 1st April 11 and significant procurement during the ensuing season we expect ample wheat stocks to the tune of 13.996 million tons available till 1st April 2012. Nearly 28.8 million tons of wheat is required for different schemes enlisted in the following table including wheat required for food security bill. Meanwhile, considering additional 7 million tons normative requirement by the governments for buffer and strategic reserves we will be having excess of nearly 7 million tons of wheat.



Central Pool Budget of Wheat	
Estimates (All units in million tonnes)	Wheat
Opening balance on 01.04.2011(Estimated)	15.36
Procurement of Wheat April - June 11	27.5
Actual Stock Availability for Apr 11 to Mar 12	42.86
Off-take from Apr 11 to Mar 12	
TPDS	19.498
OWS	1.394
Special Adhoc Allocation	0.972
OMSS	3.00
Export Commitments	0.50
Projected Requirement of Wheat for Food Security Bill	3.50
Total off-take (Apr 11 Mar 12)	28.864
Buffer norms + Strategic Reserves as on 1st April	
	7.00
Surplus wheat available for other purpose	6.996
Expected Stock Position as on 01.04.2012	
	13.996
Stock Position as on 01.04.2011	15.36

Considering the above factors in view, government is having enough stocks at their hand to keep domestic prices in control contrary to the views of private traders who are holding view of significant surge in domestic prices during July to December period.

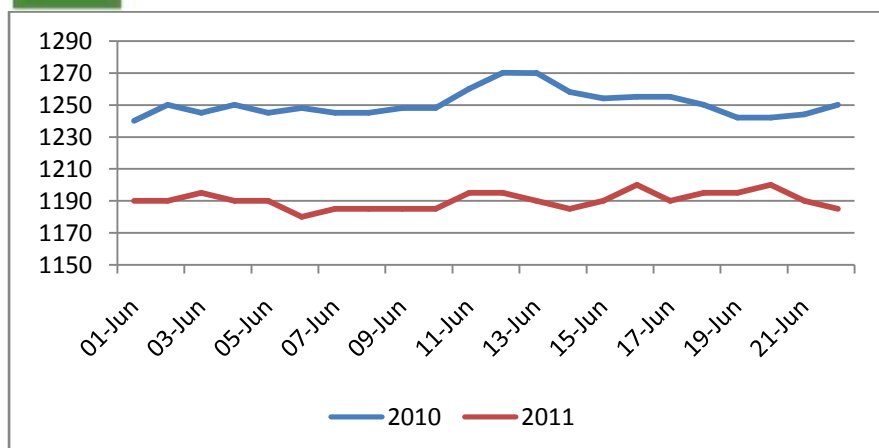
Higher stocks – government dilemma!

Government fixed its selling prices for wheat under OMSS which is currently fixed at Rs 1239.89 to 1315.38 /Qtl for northern region which is valid till Sep 11. This is quite high when compared with domestic market price which is ruling at Rs 1100 to 1125/Qtl. This result into negligible off-take of wheat from the government held stock from northern region.

At the same time prices fixed under OMSS for southern zone varies from Rs 1380.17 to 1659.04/Qtl while the average domestic wheat prices in local market stay in the range of Rs 1340 to 1350/Qtl. Similarly, wheat prices under OMSS for west region lies in the range of Rs 1310.61 to 1376.38/Qtl while open market wheat prices stay in the range of Rs 1300 to 1325/Qtl.

This clearly indicates government set prices are higher than the open market prices which shall stand discouraging for the bulk buyers to buy wheat from government agencies. This will continue to keep stock levels on the higher side unless government takes adequate steps to make their offered prices competent when compared to open market prices.

Comparative Price trend in June: Quantity: Rs /Qtl.



Keeping in view the seasonal price trend of wheat as shown in the adjacent chart, prices most often tend to rise from September onwards and usually peak during January depending on crop production year on year. Given the considerable wheat stock available we do not expect any major price rise during year end though marginal spike is inevitable as depicts the given line chart.

In case of any significant price jump government might take adequate measures to contain the prices as inflation during July to October remains a concern for the government. Any sharp jump in prices during the period might encourage government to liquidate more wheat through OMSS at reduced prices which will translate to the domestic market prices.

Export Parity over current CBOT prices:

Component	Khanna@MSP	Khanna@CMP	Gujarat (Rajkot)	MP (Bhopal)
Ruling Mkt price@ Khanna	11200	11200	11500	11500
Mandi Expenses (loading/unloading, Bagging, Grading etc)	12712	12712	11902.5	12190
Local Transportation & Rake loding charges	400	400	400	400
Freight chareges to Kandla	1200	1200	400	1250
Unloading, Shiploading and misc. handling exp.	450	450	450	450
Transit losses@1%	112	112	115	115
Total Handling cost	2162	2162	1365	2215
Esti. FOB Prices (INR)	14874	14874	13268	14405
Esti. FOB Prices in US \$/MT	331	331	295	321
Current CBOT Wheat Futures Prices	265	265	265	265
CBOT Futures Price in INR	11894	11894	11894	11894
Parity/Disparity	-2980	-2980	-1374	-2511

Considering the current market prices both at domestic market and bench mark market of CBOT there is disparity seen for wheat exports from Indian ports. Disparity is primarily attributed to sharp decline in wheat prices at CBOT. Export opportunities vanish from Rajkot market of Gujarat during recent past till 15th June when there were parity of nearly Rs 600/MT could be seen.

With little hope of parity from India ports during coming couple of months amid aggressive wheat shipment from US, Ukraine and Russia, export opportunities seen minimal going ahead with wheat harvest in the above mentioned nations.

Current government stance on opening of wheat export:

Besides, The present Congress-led United Progressive Alliance regime is yet to take a call on allowing export of grain. The Union Food and Consumer Affairs Minister, Prof K.V. Thomas, has ruled out any exports till a final shape is given to the proposed National Food Security Bill, which could generate an annual off-take demand to the tune of 62-63 million tonnes. Ambiguous position with respect to food security bill and opening of wheat exports left limited option for the government to liquidating surplus stocks. However, crunch of storage space would encourage govt. to allow some export.

Inadequate storage facility continues to pose challenge ahead with Kharif harvest:

It would be a difficult situation for the government with respect to storage capacity of warehouses. Total warehouse capacity with government to store cereals stay close to 63.36 million tonnes which is lower by 2.24 million tons when compared with the actual stock position of combined wheat and rice (65.60 million tons) which may sounds inadequate given the record output of wheat and anticipation of normal kharif production of rice. 2.24 million tons are lying in open which might prone to weather aberration and likely to deteriorate if immediate steps are not taken for its adequate storage.

Constrain in storage facilities might pose a serious threat for storing adequate wheat and new kharif harvest left no other options to off-load stocks of food grains into the market before the kharif harvest or to open export of food grains.

Moving forward, government plan to increase procurement of cereals with view of increase consumption year on year might need additional 10 million tonnes to keep total procurement of Rice and wheat close 70 million tonnes with the approval of much awaiting Food Security Bill.

Procurement Status: Wheat procurement as on 28.06.11

States	2010-11	2011-12 (P)	% Change
Punjab	102.08	111.00	7.27%
Haryana	63.47	68.89	8.48%
U.P.	16.45	32.18	87.23%
M.P.	35.38	48.94	38.33%
Bihar	1.83	2.49	36.07%
Rajasthan	4.75	12.61	163.39%
Gujarat	0.62	0.96	54.84%
Others	0.55	0.59	7.27%
Total	225.13	277.59	21.99%
Units in million tonnes; P - progressive			

Source: FCI

Wheat procurement season is now about to over with the end of this month i.e. 30th June 2011. Total procurement is expected to cross 27.5 million tonnes (record higher) this season.

Wheat Production Estimate:

Wheat production estimate for India is kept unchanged compared with our previous month estimates and production is projected at 85.10 million tonnes.

States	2010-11 1st AW Production Estimate (In Million Tonnes)	2010-11 Revised AW Production Estimate (In Million Tonnes)	% Change From 1st Estimate
Bihar	4.51	4.91	8.90%
Gujarat	1.86	2.39	28.71%
Haryana	9.83	10.40	5.84%
Karnataka	0.19	0.27	42.11%
Madhya Pradesh	7.57	7.96	5.09%
Maharashtra	1.04	1.37	31.25%
Punjab	15.08	16.51	9.46%
Rajasthan	5.37	7.33	36.41%
Uttar Pradesh	24.47	27.98	14.32%
India	83.69	85.10	1.68%

Higher production anticipation during the current season is likely to keep wheat prices under pressure moving forward.

Supply and Demand

There is no major change seen on the supply and demand front with no major changes suggested for our balance sheet. Total availability is expected to up by nearly 1.43%. At the same time carry out stocks is likely to up by nearly 7.7% assuming minimum export of 2.24 million tons when compared with the previous estimates.

All units in million tonnes	2009-10	AW PreviousEst 2010-11	AW Revised Est 2010-11
Carry in	13.42	16.12	16.12
Production	80.80	83.69	85.12
Imports	0.15	0.00	0.00
Total Availability	94.37	99.81	101.24
Consumption	78.15	79.00	79.00
Exports	0.10	2.24	2.24*
Total Usage	78.25	81.24	81.24
Carry out	16.12	18.57	20.00
Av Monthly Consumption	6.51	6.58	6.58
Stock to Month Use	2.48	2.82	3.04
Stock to Consumption Ratio	0.21	0.24	0.25

Export is kept 2.24 million tons despite the Government ruling out immediate opening export. However, if government do agree to allow exports, a minimum of 2.24 million tons can easily be exported from India.

Given the record production and overall increase in supply front, the exportable surplus is seen close to 6 million tons on the higher side keeping overall ending stock position in government comfort level of 16 million tons.

Considering the overall wheat scenario, there would be ample wheat stocks available during the season end and a lot would depend on for the government's stance as far as timing and volume of exports are concerned.

Price Outlook:

Prices of wheat will remain under pressure on higher stock and supply side in the month of July. Additional supply(likely) through PDS will weigh on the market. However, demand from feed industry at lower level may restrict further loss. Govt.'s policy will be the driving force to direct the market fundamentals in months ahead.

Prices expectation in July:

Markets	Short term (15 days)	Medium Term(30 days)
Cash	Rs 1125-1150	Rs 1150-1200
Future	Rs 1150-1180	Rs 1175-1225

In future July contract if market breeches 1225, market will go up.

Weather/Monsoon Update:

Comparison of long range forecast update for 2010 and 2011

Region	LPA (mm) 2010	LPA 2011(mm)	Change %
All India	890	887.5	-0.28
Northwest India	612	615	0.49
Central India	994	975.5	-1.86
Northeast India	1429	1438.3	0.65
South Peninsula	725	715.5	-1.31
All India (July)	293	289.2	-1.30
All India-August	262	261.3	-0.27

*long period average (LPA)

Comparison between the latest LPA forecast for 2011 vs 2010 reveal marginal decline in precipitation over major regions of India with July rainfall forecast projected at 289.2 mm with deficit of 1.30 percent when compared with the previous year LPA forecast during June 2010.

However, latest weather forecast reveals improvement of precipitation in North West and North East region of India when compared with the LPA forecast of 2011 vs 2010.

There is much hype regarding monsoonal precipitation as most of the market participants are comparing LPA forecast with the actual precipitation received during July – Sep period during 2010 as mentioned in the following table:

Comparison of previous year (2010) actual Monsoon and LPA Forecast for Monsoon 2011



Region	Actual (mm)2010	LPA Forecast 2011(mm)	Change %
All-India	912.8	887.5	-2.77
North West India	688.2	615	-10.63
Central India	1027.9	975.5	-5.097
South Peninsula	853.6	715.5	-16.17
North East India	1175.8	1438.3	22.32
Monthly Rainfall			
All India (July)	301.79	289.2	-4.17
All India (August)	277.72	261.3	-5.91

The above data reveal that LPA 2011 forecasts are lagging behind the actual forecast of 2010 except for North East region primarily on account of more than higher rainfall realized when compared to the LPA forecast. However, since IMD forecast says total rainfall during June to Sep is expected to stay normal i.e. 98% of the LPA we expect normal showers in most of the regions with marginal deviation with model error of 5%.

Since Kharif planting is in progress in most of the growing regions but actual rainfall received during July and Aug might define the productivity and get reflected on the total Kharif production.

Domestic Market Wheat Price table:

		02.06.11	14.06.11	21.06.11	29.06.11	Arrivals/MT 29.06.11
State	Markets	Rate Rs/Qtl.	Rate Rs /Qtl.	Rate Rs /qtl.	Rate Rs/qtl.	
Bihar	Barauni	1085-1095	1115-1120	1120-1125	1110-1115	400
	Khagaria	1090-1100	1110-1115	1125-1130	1115-1120	490
	Samastipur	1085-1090	1110-1115	1125-1130	1110-1120	370
	Gulab bag	1000-1010	1025-1030	1010-1015	1010-1025	430
M.P.	Indore	1275-1290	1295-1300	1285-1290	1280-1290	800
	Dewas	1280-1285	1290-1305	1290-1295	1275-1285	750
	Ujjain	1280-1290	1295-1305	1295-1305	1285-1295	600
	kannauj	1260-1275	1270-1280	1265-1270	1260-1265	800
Gujarat	Rajkot	1125-1135	1161-1170	1135-1140	1120-1130	700
	Gondal	1125-1130	1156-1165	1125-1135	1130-1130	300
Rajasthan	Kota	1275-1280	1290-1300	1290-1295	1280-1285	700
	Sri Ganganagar	1280-1290	1300-1315	1285-1295	1280-1290	450
	Hanumangarh	1275-1285	1312-1320	1295-1300	1280-1295	450
U.P.	Kanpur	1180-1190	1203-1210	1205-1215	1200-1205	500



	Bareilly	1185-1190	1205-1215	1195-1205	1190-1195	550
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Domestic Market Atta Price table, June:

Domestic Market Prices of Wheat Products (Delhi)						
Date	Atta 50 kg ordinary	Maida-G1,90kg	Maida,G1,50kg	Suji,50kg	Chokar 50kg	Chokar 34 kg
01-Jun-11	685	1483	805	815	510	326
02-Jun-11	685	1483	805	815	500	326
03-Jun-11	685	1483	805	815	500	326
04-Jun-11	685	1483	805	815	500	326
06-Jun-11	685	1483	805	815	500	326
07-Jun-11	685	1483	805	815	500	326
08-Jun-11	675	1483	805	815	492	320
09-Jun-11	675	1483	805	815	489	317
10-Jun-11	675	1483	805	815	484	317
11-Jun-11	675	1483	805	815	484	317
13-Jun-11	675	1483	805	815	479	317
14-Jun-11	675	1483	805	815	479	317
15-Jun-11	675	1483	805	815	474	314
16-Jun-11	675	1483	805	815	479	311
17-Jun-11	675	1483	805	815	414	308
18-Jun-11	675	1483	805	815	454	305
20-Jun-11	675	1483	805	815	449	302
21-Jun-11	675	1483	810	815	442	299
22-Jun-11	675	1483	815	820	439	296
23-Jun-11	675	1483	824	820	429	290
24-Jun-11	675	1487	825	825	424	287
25-Jun-11	675	1528	830	835	414	281



27-Jun-11	675	1528	830	835	414	281
28-Jun-11	675	1528	830	835	394	269
29-Jun-11	675	1533	835	835	398	266

Prices of wheat in various markets have slightly come down in comparison to first week of June and downward pressure is likely to continue on higher stock and expected higher supply through PDS. However, feed mills demand at lower level and rising possibility of export will restrict further loss in weeks ahead. Now market has to watch and wait for govt.'s move on export front. It will decide the market direction July onward.

World Market Updates:

- **U.S. wheat futures closed higher amid broad-based strength in corn and other commodities.**
- **Optimism about the economy helped lift equities and commodities, and weighed on the dollar.**
- **Worries about the hard red spring crop, particularly in North Dakota, led the way.**
- **Supply concerns are starting to come to the fore again amid hot weather.**
- **Two South Korean feed groups including the Major Feedmill Group are seeking bids to import as much as 220,000 metric tons of wheat for delivery in October and November.**
- **Traders are awaiting Thursday's acreage and quarterly stocks report from the USDA.**
- **Russia ends its grain export ban on July 1 and Ukraine has relaxed its export restrictions as a large crop approaches.**
- **World wheat trade in 2010/11 is estimated to reach 128.0 million tons, up 1.8 million this month-USDA.**
- **The International Grains Council forecasting a crop of 667 million tons, 5 million tons below its outlook from two weeks earlier.**
- **Global wheat production was now expected to fall slightly shy of anticipated record demand in 2011/12 of 664 million.T**

Fundamentals:

US wheat futures rallied as worries about the spring wheat crop in North Dakota continue to fuel the market. Millions of unplanted acres in North Dakota, a key wheat state, along with more rains that have threatened the planted crop, could lead to significant shortfalls. Russia is still not seen as regular supplier of wheat in the international market as quality of wheat for regular buyers is still a concern. However, wheat prices will remain under pressure for short and medium term with increasing supply. It is considered a recovery phase for world wheat market. Higher supply is likely to restrict gain with Russia and Ukraine coming into export arena with higher surplus stock. Australia and US is expected to remain main suppliers in medium and long term.

IGC slashes its forecast:

- **The IGC has slashed its forecast for the 2011/12 global wheat crop by 5 million tonnes to 663 million.**
- **Global wheat production was now expected to fall slightly shy of anticipated record demand in 2011/12 of 667 million.**

IGC Wheat Balance Sheet:

All Wheat	2007/08	2008/09	2009/10	2010/11(E)	26.05.2011	06.6.2011
Production	609	686	679	649	667	663
Trade	110	137	128	122	127	128
Consumption	613	639	648	661	669	667
Closing Stocks	122	168	199	186	185	182
Year on year change	+4	+42	+27	-12		-4

Values in Million MT, as on June,06, 2011.

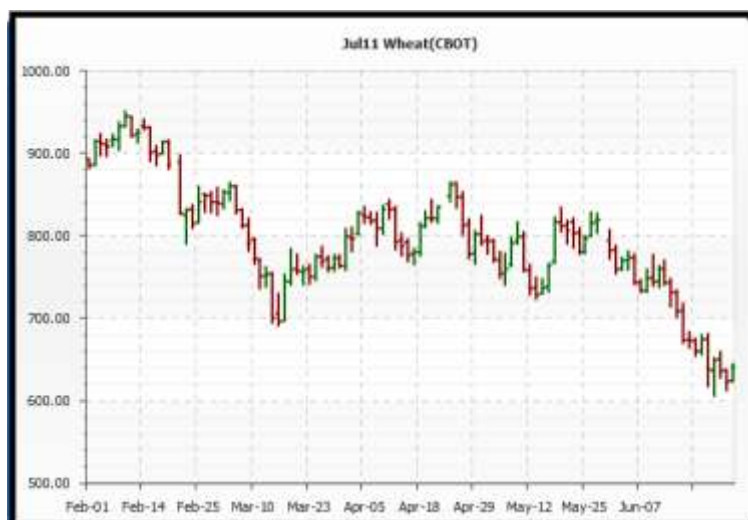
World wheat production estimate has been slashed from 667 to 663 MMT by IGC while trade estimate has been increased by 1 MMT. There has been a reduction in consumption of 2 MMTamid decrease in closing stock in comparison to last month.Wheat exports by the EU are reduced by 2m. tons because of tighter supplies.

Wheat CBOT Future Price:

CBOT Futures Prices (USD per Metric Tonnes)				
Futures Month	% Change Over Previous Month	Today (28.06.11)	WeekAgo (20.06.11)	MonthAgo (28.05.11)
July'11 (\$/MT)	-20.61	235.23	242.21	296.31
July'11 (INR/MT)	-20.61	10571.14	10884.85	13316.09
Sept'11 (\$/MT)	-20.90	246.80	255.62	312.01
Sept'11 (INR/MT)	-20.90	11091.23	11487.50	14021.93
Dec'11 (\$/MT)	-19.96	262.69	273.80	328.18
Dec'11 (INR/MT)	-19.96	11805.33	12304.79	14748.41
March'12 (\$/MT)	-18.45	277.30	288.04	340.03
March'12 (INR/MT)	-18.45	12461.64	12944.59	15280.89

Note:1 Bushel=27.216kg(.CBOT market remained closed on Saturday) (One dollar value Rs 44.94)

CBOT Price Outlook (July'11 Contract)





U.S. wheat futures rally amid broad-based strength in corn and other commodities. Optimism about the economy helped lift equities and commodities, and weighed on the dollar. Worries about the hard red spring crop, particularly in North Dakota, led the way, as MGEX July wheat surged 33 1/4 cents, or 4.1%, to \$8.39. Traders are awaiting Thursday's acreage and quarterly stocks report from the USDA.

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