

Wheat

12th -17th September, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Demand, Supply and Prices at Important Centres
- International and Domestic News
- International Wheat Prices

Technical Analysis

Commodity: Wheat

Exchange: NCDEX

Perspective: Very Short Term (Weekly)

Contract: October (Future)

Candlesticks: The candlestick pattern is indicating trend reversal.

MACD: The MACD (5-day) is going upwards after cutting the EMA from down but it is lying in negative territory. Indicating strong sentiment as long-term basis.

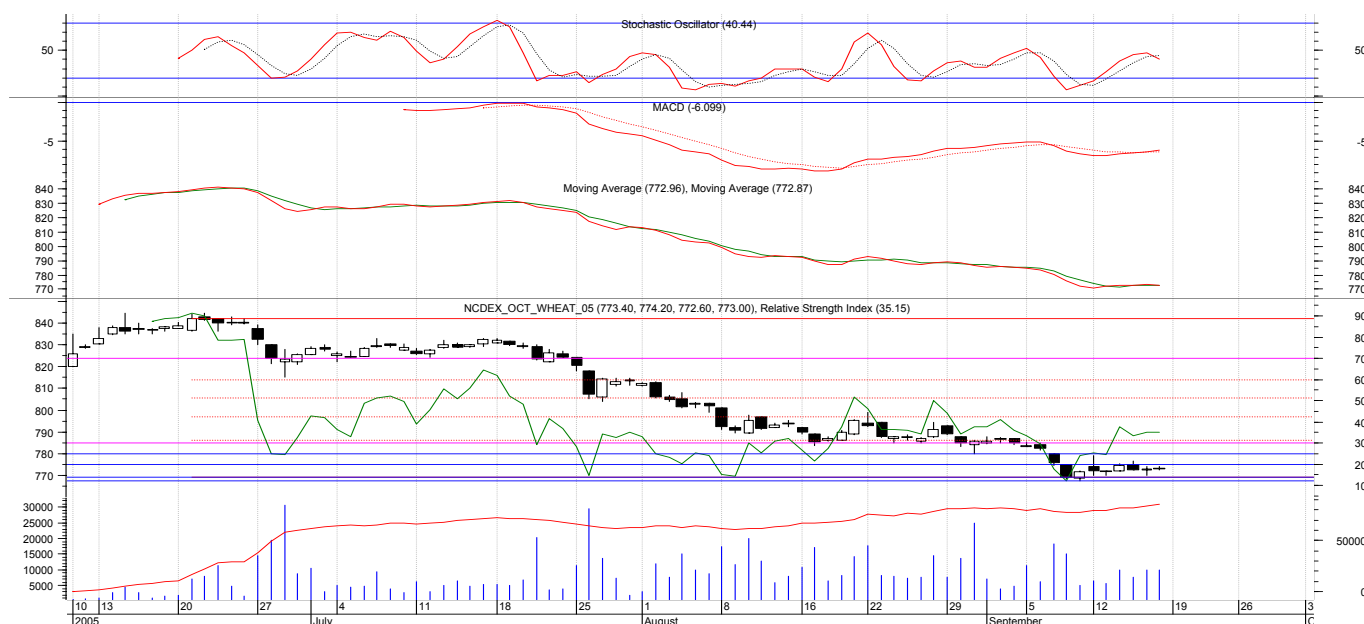
Stochastic: The %K-line after cutting the %D-line from up, moving downwards in the neutral region. Indicating weak sentiment.

Relative Strength Index (RSI): The RSI (35.15) is in the neutral condition.

Moving Averages (MA): The 3-day MA is going to downwards after cutting the 5-day MA from up. Indicating weak sentiment

The open interest as well as the volume of trade remained strong throughout the week.

The first resistance is seen at 774.71marks and the second at 780.08 marks. The first support is seen at 769.33 marks and the second at 767.87 marks.



Outlook: All of the indicators are indicating towards weak sentiment in wheat futures market except candlesticks and MACD, which indicating trend reversal. The wheat futures are expected to remain range bound with slight strong for very short-term period. However, the wheat futures may witness some uptrend in long term.

Support and Resistance Levels:

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
September	769.33	767.87	774.71	780.08

DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

Market Highlights

Delhi:

The wheat market prices witnessed a strong undertone in this week as against of previous week. But the trend showed strong at the end of the week. The prices remained slight weak at the first couple of days of this weekend. The market-moving factor was mainly the monsoon activity in Delhi and therefore the arrival has been hampered. At the Lawrence road, the wheat was traded at the range of Rs.759-761 per quintal at this weekend. The demand from flourmills remained moderate in this week. The godown stock are releasing in the market. The arrival was moderate at 6000-8000 gunny bags at this weekend. The market is expected that the wheat prices would remain slight strong in the coming week.

Ahmedabad:

Ahmedabad markets for rice hovered in this week as compared to last week due to slight strong demand in the market and monsoon activity. Wheat was traded at Rs 794-797 per quintal at this weekend as compared to Rs 780-785 per quintal last week. The market does not expect the price would be increase further in the coming week.

Amritsar:

At the Amritsar market, the wheat prices remained on slight higher side in this week over last week. The governing factor was slight upward demand, however there was no arrival. But due to monsoon activity the trading activity remained poor. The godown stocks were sold in the market. Wheat was offered at Rs 695-700 per quintal at this weekend. Wheat prices are likely to remain stable in the coming week.

Ludhiana:

The market price of wheat at Ludhiana continued its same trend in this week also. Wheat was traded at the range of Rs 720-725 per quintal at the Ludhiana market, which was same as last week. At the Jagraon market it remained slight strong at Rs.716-720 per quintal.

Maharashtra:

The market prices of wheat witnessed range bound with stable movement in this week over last week. The wheat price did not support fundamentally. The monsoon remained well in this state. The wheat was traded at the range of Rs.810 per quintal at this weekend, which was same as of Rs. 810 per quintal of previous week.

Haryana:

The wheat at the Haryana mandis was traded at this on stable side but the sentiment remained range bound at most of the places throughout this week as compared to last week. At the Karnal, Hodal and Palwal market wheat was quoted at Rs 728-732, Rs 650-725 and Rs 700-725 per quintal, respectively. However, at the Hisar market wheat was offered at a slight lower price of Rs 700-705 per quintal at this weekend.

Rajasthan:

The wheat prices at the Rajasthan markets recovered in this week at most of the places. At the Khairtal and Alwar market wheat was quoted higher at Rs 695-700 and Rs 695-700 per quintal, respectively at this weekend due to strong demand and less stock. The average arrival in this market was on an around 50-60 gunny bags, according to

the traders. At the Kota market wheat was available at a higher price of Rs 769-771 per quintal at this weekend.

Uttar Pradesh:

In Uttar Pradesh mandis the market sentiment for wheat noticed a range bound with mixed sentiment in this week as compared to last week. In Hapur, Kanpur and Bareilly market showed a slight upward trend in this week as compared to last week, but Baranasi market remained on slightly downside. At the Hapur, Kanpur, Baranasi, and Bareilly markets, wheat was traded at the range of Rs.740-745, Rs.775-778 (mill quality), Rs.775-778 and Rs.738-740 per quintal at this weekend.

Vyada Bazaar:

At the futures market, the wheat futures have witnessed a range bound with slight stable in this week as compared to last week. The wheat futures increased moderately in the first couple of days in this week. However the scenario reversed and remained weak few days and remained range bound with stable at this weekend. The wheat futures at the NCDEX are expected to trade range bound with slight strong in very short-term period. However, slight uptrend is likely in the long term. The wheat futures were governed by the factors like government procurement, supply scenario, hoarding of stock and weather concern.

Spot Market Price For Wheat (In Rs./Quintal)

Markets	17.09.05	10.09.05
Delhi (Lawrence Road)	759-761	750-752
Haryana (Dhabwali)	655-665	645-650
Ahmedabad	794-797	780-785
Ludhiana	720-725	720-725
Ludhiana (Jagraon)	715-716	715-716
Rajasthan (Kota)	769-771	767-768
Amritsar	695-700	685-690
Madhya Pradesh (Indore)	794-795	791-792
Uttar Pradesh (Bareilly)	738-740	735-741
Uttar Pradesh (Shahjahanpur)	770-771	765-766
Maharashtra	810	810

Prices of Wheat Products in This Week in Delhi (in Rs.)

Wheat Products	17.09.05	10.09.05
Atta (90kg)	784	779
Maida (90kg)	920	920
Suji (50kg)	509	509
Chokar (50 kg)	269	282
Chokar (35 kg)	176	182
Chakki Atta (90kg)	732	738

CONCLUSION

In this week, the wheat market showed a range bound with slight strong sentiment at most of the places regarding Delhi, Ahmedabad, U.P., Rajasthan etc. due to slight strong support from the flourmills and monsoon activity. The arrival was

checked due to rainfall at the major places. The godown stocks of wheat are also releasing due to price worries but there is no strong demand. At the futures market also the wheat was fluctuated tremendously. It is expected that the wheat prices would strong in spot as well as futures market as long-term basis likely in October.

INTERNATIONAL AND DOMESTIC NEWS:

Wheat Stocks Remained at 7.99 MMT in Canada

Statistics Canada reported Tuesday that its 2004-05 July wheat stocks were 7.99 million tons, in line with pre-report estimates of 8.2-9 million tons. One year ago, ending stocks were 6.08 million. Most-active December wheat hit a \$3.305 session high, its strongest price since it hit \$3.31 on Aug. 9. The contract settled just beneath that level.

South Korea Imported 20,000 MT of U.S. Wheat

In U.S. wheat export news, South Korea bought 20,000 metric tons of U.S. wheat, including soft white, hard red winter and dark northern spring wheat, Seoul-based traders said. Moreover, Taiwan's flour millers on Wednesday promised to buy 1.7 million metric tons of U.S. wheat over the next two calendar years, 2006 and 2007. The U.S. Wheat Associates, a group representing U.S. exporters and host to the Taiwanese millers, said the promise is a yearly tradition and that they usually buy more than they promise.

Global Wheat News Summary on Thursday

U.S. wheat export news on Thursday, Japan bought 60,000 tons of U.S. wheat in a tender that totaled 145,000 tons, and Taiwan bought 59,000 tons of U.S. wheat. In global news, Morocco bought 170,000 metric tons of European Union soft wheat for shipment Oct. 31, according to the country's main-state wheat buyer, the Office National Interprofessionnel des Cereales et des Legumineuses, or ONICL. The European Union granted export licenses for 59,500 tons of subsidized wheat at a maximum refund of EUR6 a ton in its weekly tender Thursday, official E.U. figures showed. The export outlook to Egypt, one of the world's largest wheat importers, remained unclear. "Exports

to this destination could increase if French intervention stocks are released for export," said the report. In key producer Australia, average rains were forecast from October through December, helping winter crops including wheat, the government's Bureau of Meteorology said.

USDA Latest Export Sales Report on Wheat

According to latest report of USDA on wheat that the net sales of 585,500 metric tons (MT) were 32 percent below the previous week and 9 percent under the prior 4-week average. Major increases were reported for the Philippines (98,900 MT), Mexico (89,700 MT), Nigeria (87,700 MT), Japan (78,600 MT), Pakistan (50,000 MT), unknown destinations (31,300 MT), Venezuela (26,900 MT), and South Korea (25,300 MT). Exports of 389,200 MT were 10 percent below the week earlier and 20 percent under the prior 4-week average. The main destinations were Nigeria (87,500 MT), the Philippines (55,900 MT), Thailand (49,500 MT), Taiwan (46,500 MT), Venezuela (26,900 MT), South Korea (26,000 MT), and Italy (21,100 MT). (This summary is based on reports from exporters for the period September 2-8, 2005.)

IGC WORLD WHEAT ESTIMATES (24.08.05)

(Million tons)

	2002-03	2003-04	2004-05	2005-06 (Forecast)	
				27.07	24.08
Production	566	555	623	608	610
Trade	106	103	106	109	108
Consumption	600	593	613	613	613
Stocks	165	127	138	133	134
Year-Year Change	-34	-38	+11	-5	-3
5 Major Exporters#	43	40	52	52	51

Argentina, Australia, Canada, EC, United States

Source: International Grains Council

INTERNATIONAL WHEAT PRICES

Latest Australian wheat board exports cash prices indicative basis quotes over US futures

(US dollar / MT)

Contract	ASW 10%		AH 13%		APH 13%		APH 14%	
	15-Sep	14-Sep	15-Sep	14-Sep	15-Sep	14-Sep	15-Sep	14-Sep
5-Sep	192	187	215	208	219	212	243	236
5-Oct	192	186	209	202	213	206	237	230
5-Nov	192	187	212	205	216	209	240	233
5-Dec	177	175	214	207	218	211	242	235
6-Jan	177	173	213	208	217	212	242	237
6-Feb	177	173	213	208	217	212	242	237

PORT WATCH

No latest vessel position is reported at this weekend.

WEATHER WATCH

Chief Features

During past 24 hours, widespread rains with isolated heavy falls have occurred over Uttar Pradesh, Haryana, Delhi, Uttaranchal, Gujarat, Konkan & Goa, and Andaman &

Nicobar Islands. Chief amounts of rainfall recorded (in cms) are: Bareilly-27, Pantnagar-17, Bahraich-12, Ayodhya-11, Port Blair, Mahabaleshwar & Mandi-8 each, Haridwar-7, Delhi (Safdarjung), Chandigarh & Baroda-6 each, Tehri, Delhi (Palam) & Ambala-5 each, Dahanu, Porbander, Dwarka & Gorakhpur-4 each.

Yesterday's depression over southwest Uttar Pradesh has weakened into a low pressure area over West Uttar Pradesh and neighbourhood. Its associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under this scenario the prevailing rainfall activity over plains of northwest India is likely to decrease considerably from today evening. However, enhanced rainfall will continue over Uttaranchal and Himachal Pradesh during next 24 hours.

Yesterday's well marked low pressure area over northeast Arabian Sea has moved northwards and weakened into a low pressure area and now lies over Gujarat state. its associated upper air cyclonic circulation extends upto mid-tropospheric levels. it will cause moderate rains with isolated heavy falls over Gujarat and Konkan & Goa.

The low pressure area over East Central Bay of Bengal has concentrated into a depression and now lies over northeast Bay of Bengal near Lat. 20° N and Long. 90.5° E with its centre about 400 km of southeast of Balasore. The system is likely to intensify further and move in west-northwesterly direction. This may cause heavy to very heavy rainfall over Orissa and Gangetic West Bengal during next 2-3 days.

Forecast valid 0830 hours IST of 20th September, 2005

NORTH: Rain/thundershowers likely at many places over Himachal Pradesh, Uttaranchal, Haryana and Uttar Pradesh and a few places in the rest region. Rainfall likely to decrease further over the region from 18th.

EAST: Rain/thundershowers likely at many places over Nagaland, Mizoram, Manipur & Tripura, Gangetic West Bengal and Orissa and at a few places over the rest region. Rainfall will increase over eastcentral India from 19th.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands; at a few places over north Coastal Andhra Pradesh and Coastal Karnataka and isolated in the rest region.

WEST: Rain/thundershowers likely at many places over Gujarat State, Konkan & Goa, Madhya Maharashtra and East Rajasthan and at a few places over the rest region.

Heavy Rainfall Warning

Isolated heavy to very heavy rainfall likely over Uttar Pradesh, Himachal Pradesh, Uttaranchal, Gangetic West Bengal, Orissa, Konkan & Goa, Gujarat State and Andaman & Nicobar Islands.

Outlook for subsequent two days based on NCMRWF and other numerical weather products:

- 1) Increase in rainfall over east central and adjoining peninsular India.
- 2) Further decrease in rainfall activity over Northwest India.

FOREX (As on 17th September 2005):

Foreign Currency	Rs. per unit
1 US \$	43.87
1 Euro	53.91
1 British £	79.44
100 Yen	39.67

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