

Wheat

19th -24th 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 slight weak sentiment today. The prices opened above the last day's closing price but settled on lower side.

MACD: The MACD (7-day) is going upwards after cutting the EMA from down but it is lying in negative territory. Indicating strong sentiment as long-term basis.

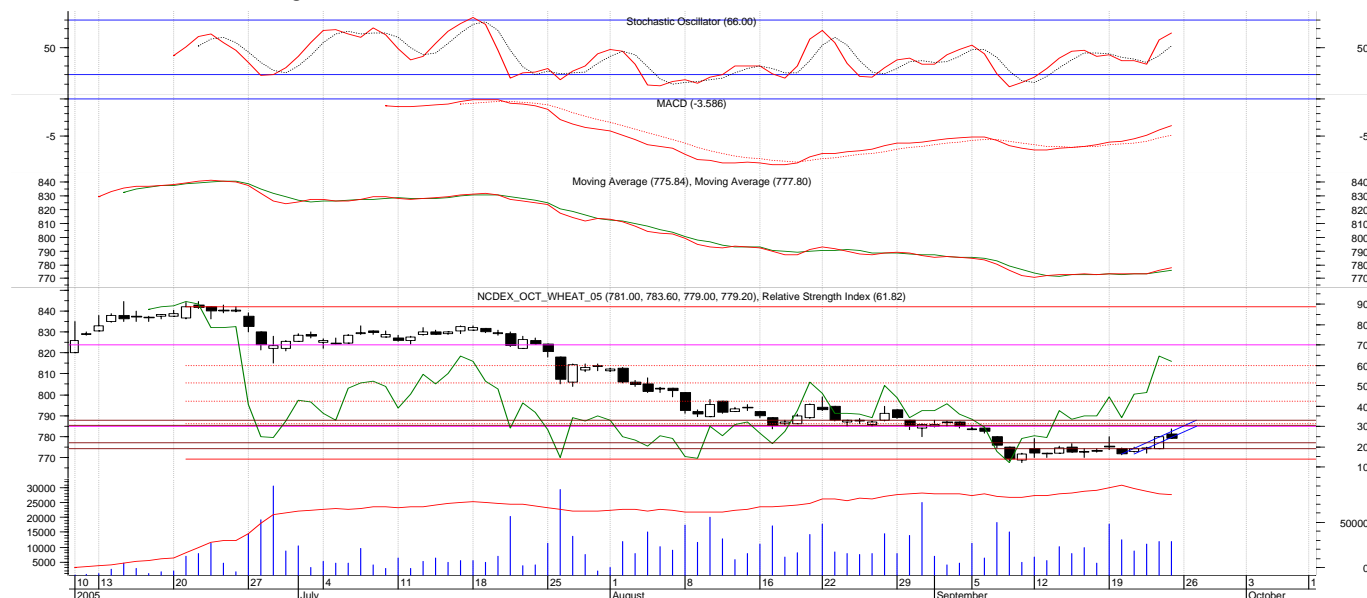
Stochastic: The %K-line after cutting the %D-line from down, moving upwards in the neutral region. Indicating strong sentiment.

Relative Strength Index (RSI): The RSI (61.82) is in the neutral condition. Indicating bullish sentiment.

Moving Averages (MA): The 3-day MA is going to upward after cutting the 5-day MA from down. Indicating bullish sentiment.

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

The first resistance is seen at 785.1marks and the second at 787.9 marks. The first support is seen at 777.05 marks and the second at 774.4 marks.



Outlook: All of the indicators are indicating towards strong sentiment in wheat futures market except candlesticks, which indicating slight weak. 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
October	777.05	774.4	785.1	787.9

DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

Market Highlights

Delhi:

Increased demand from rolling flourmills and restricted arrival and closed of September contract at the NCDEX pushed up the wheat prices on the wholesale grains market on Saturday. Traders said that increased demand from rolling flourmills and restricted arrival mainly attributed to rise in wheat prices. Wheat dara (for mills) quoted higher at Rs 770-772 a quintal at this weekend. Atta chakki delivery and rolling flourmills followed suit and traded up at Rs 770-772 and Rs 770-775. Sooji also inched up to Rs 900-910, a 90 kilo on coming navaratra demand, while maida inched from Rs 840-845 to Rs 845-850 a 90 kilo.

Ahmedabad:

Ahmedabad markets for wheat maintained its strong sentiment throughout this week due to strong support from flourmills and good local demand and monsoon activity. Wheat was traded at Rs 795-797 per quintal at this weekend as compared to Rs 795-797 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 705-710 per quintal at this weekend. Wheat prices are likely to remain stable in the coming week.

Ludhiana:

Wheat prices witnessed a strong undertone in this weekend as compared to last week. The governing factor was good demand from flourmills and surrounding areas. The market price for wheat was quoted at the range of Rs.740-745 per quintal at this weekend. The price recovered mainly at this weekend. At the Jagraon market it remained slight strong at Rs.720-725 per quintal at this weekend.

Maharashtra:

Maharashtra market for wheat also showed an upward direction at this weekend over last week due to good rainfall activity and well demand. The monsoon remained well in this state. The wheat was traded at the range of Rs.815 per quintal at this weekend, which was higher from Rs. 810 per quintal of previous week.

Haryana:

Haryana mandis for wheat was traded on higher side in this week as compared to last week amidst strong demand from flourmills and less arrival and advent of navaratri. At the Karnal, Hodal and Palwal market wheat was quoted at Rs 738-745, Rs 670-730 and Rs 720-735 per quintal, respectively. However, at the Hisar market wheat was offered at a slight lower price of Rs 720-725 per quintal at this weekend. Wheat was traded at Sirsa mandis at Rs.675-680 per quintal.

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 705-710 and Rs 705-710 per quintal, respectively at this weekend due to

strong demand and less stock. The rainfall in this region put pressure on prices. The arrival remained poor. 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 779-780 per quintal at this weekend.

Uttar Pradesh:

Strong demand from flourmills and monsoon activity restricted the arrival pushed up the prices on higher side in Uttar Pradesh mandis. 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.742-748, Rs.775-780 (mill quality), Rs.778-780 and Rs.749-751 per quintal at this weekend.

Vyada Bazaar:

At the futures market, the wheat futures hovered at this weekend as compared to last week. The wheat futures decreased moderately in the first couple of days in this week. However the scenario reversed and remained strong after closing of the September contract due to technical correction but remained slight week on Saturday. 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	24.09.05
Delhi (Lawrence Road)	759-761	770-772
Haryana (Dhabwali)	655-665	675-680
Ahmedabad	794-797	795-797
Ludhiana	720-725	740-745
Ludhiana (Jagraon)	715-716	720-725
Rajasthan (Kota)	769-771	779-780
Amritsar	695-700	705-710
Madhya Pradesh (Indore)	794-795	793-795
Uttar Pradesh (Bareilly)	738-740	749-751
Uttar Pradesh (Shahjahanpur)	770-771	778-780
Maharashtra	810	815

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

Wheat Products	17.09.05	
Atta (90kg)	784	795
Maida Grade 1(90kg)	920	920
Suji (50kg)	509	534
Chokar (50 kg)	269	281
Chokar (35 kg)	176	180
Chakki Atta (90kg)	732	745

CONCLUSION

In this week, the wheat market showed an upward trend at most of the mandis. The rainfall activity in most of the places restricted the arrival, which pushed up the prices higher. Besides this, strong demand from flourmills due to good demand of wheat products as navaratri is coming, also supported prices strong. 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:

Global Wheat News on Monday

The USDA reported Monday U.S. wheat export inspections for the week ended Sept. 13 totaled 26.927 million bushels. The tally included 4.645 million bushels of wheat for Nigeria and 3.966 million bushels of wheat for Iraq. Earlier Monday, the USDA reported 200,000 metric tons of U.S. HRW wheat had been sold to Iraq. Traders speculated that the sales were part of a 600,000-metric-ton deal announced last week. The USDA's CCC also bought 15,000 tons of dark northern spring wheat for El Salvador.

Australia Likely to Export 15.56 MT Wheat This Fiscal Year

Australian wheat exports this fiscal year were forecast at 15.56 million tons valued at A\$3.54 billion compared with exports of 15.78 million tons valued at A\$3.49 billion last fiscal year, it said in its quarterly Australian Commodities outlook publication. Australia's new wheat crop should total 19.7 million tons, down from last year's 20.4 million tons, the Australian Bureau of Agricultural and Resource Economics repeated again Monday. The estimate matched the agency's Sept. 6 forecast.

Fear Prevails for Migration of Wheat Stem Rust

A mutant stem rust for wheat has been found in Africa and fear prevails that it may migrate to Middle East, India, Pakistan and Australia. This disease is spread by wind and on clothing of human beings. About 15 or more nations have joined Global Rust Initiative to combat its spread. This strain of stem rust was found in Uganda and was then detected in Ethiopia and Kenya.

Global Wheat News on Tuesday

In global export news, Syria canceled a tender to sell 150,000 tons of wheat, while Russia bought 49,950 tons of domestic grain at an intervention trading session Tuesday. In other global wheat news, Australian exporter AWB Ltd. (AWB.AU) maintained its new Australian wheat production estimate at 21 million to 23 million tons, in line with a five-year average. The estimate follows Monday's Australian Bureau of Agricultural and Resource Economics forecast for the new wheat crop of 19.7 million tons, down from last year's crop of 20.4 million tons.

Flour Mills Demand Pushed Up Wheat Prices Slightly

Wheat prices increased on the wholesale grains market on Wednesday on fresh demand from rolling flourmills and closed with fresh gains. Wheat prices have also influenced on upwardness of Maida and sooji. Traders said that fresh demand from rolling flourmills led to a rise in wheat prices. Wheat MP (desi) traded on higherside at Rs 925-1075 as compared to last close of Rs 900-1075 a quintal on fresh buying. Wheat dara (for mills) edged up to Rs 760-762 a quintal on increased offtake by rolling flourmills. Atta chakki delivery and rolling flourmills followed suit and traded weak at Rs 765-768 and Rs 765-770 a 90 kilo respectively.

Maida and sooji also quoted higher at Rs 840-845 and Rs 875-880 a quintal in line with general trend.

Following prices were for wheat and its products on per quintal basis:

Wheat MP (desi) 925-1075, wheat dara (for mills) 763-765, chakki atta (delivery) 765-768, Chakki atta Rajdhani (10 kgs) 110, shakti bhog (10 kgs) 110, roller flour mill 765-770, maida 840-845 (90 kilos) and sooji 875-880 (90 kgs).

Global Wheat Outlook on Wednesday

In U.S. wheat export news, Japan was expected to seek 130,000 metric tons of wheat, including 85,000 tons of U.S. wheat, in a tender Thursday. Traders also noted market talk that Pakistan had bought 300,000 metric tons of wheat and was seeking another 100,000 tons. In global wheat news, key producer Argentina on Wednesday cut its 2005-06 wheat acreage to 5 million hectares due to a lack of rain and a rise in input costs. If the forecast holds, it would put Argentina's planted wheat acreage down 20% from a year ago when farmers produced a record 16 million metric tons of wheat. Russia bought 48,600 metric tons of domestic grain at the intervention trading session held Wednesday, while Ukraine said it had exported 2.8 million metric tons of grain since July 1, up 17% from last year. Ukraine's Agriculture Ministry puts the country's grain export potential in the current marketing year at 8-10 million metric tons, above the U.S. Department of Agriculture's September estimate of 6 million tons.

Pakistan Finalized Import for 3 Lakh Ton of Wheat

Pakistani traders have completed trade agreements for the import of three lac tons of wheat. It is also expected that trade agreements for a further one lac ton of wheat import would be finalized soon. According to Pakistan's wheat commissioner Qadir Buksh Baloch, the traders have booked five cargos for the import of 50 thousand tons of wheat from Russia whereas two cargos have also been booked from Australia. The projected estimation for wheat import is five lakh tons therefore more cargos would be booked in the next few months. The highest consumption for wheat is witnessed in October to December due to the new crop is cultivated. According to the traders, the first cargo from Russia carrying 50 thousand tons of wheat reached Karachi yesterday. The traders have bought wheat from Russia and Ukraine at the rate of 152 to 156 dollars per ton. The Pakistan government has slashed the wheat import duty in July to increase the supply of wheat in the country.

India Donated 15000 MT Wheat to Iraq

India donated 15,000 metric tonnes of wheat to the World Food Program, a leading humanitarian agency in Baghdad in this year. According to Gian Pietro Bordignon, WFP county director in India on Wednesday, this was a timely donation and WFP is obliged to the government of India for its continuing support and kindness. India has emerged as a major donor to the WFP since late 2002, after it pledged to donate one million tonnes of wheat to be converted into biscuits for Afghan schoolchildren.

Pakistan's Require 20.847m tons of Wheat for 2005-06

The Governing Body of Pakistan was told on Friday that the country's wheat requirement for 2005-06 is 20.847 million tons. Minister for Agriculture and Livestock Sikandar Khan Bosan told the House that Pakistan exported 0.553 million tons of wheat in 2003-04 and 0.602 million tons in 2004-05. However, Bosan added that the country had to import 1.368 million tons in 2004-05. Pakistan's wheat consumption was about 22 million tons before 2002. The country's population is estimated to be around 160 million. Pakistan also has to feed a large number of Afghan refugees still living in different parts of the country.

Wheat: U.S. Exports Remained Down

According to the latest export sales report for wheat of USDA that the net sales of 805,700 metric tons (MT) were 38 percent above the previous week and 20 percent over the prior 4-week average. Major increases were reported for Nigeria (98,200 MT), Yemen (90,000 MT), Japan (83,900 MT), unknown destinations (65,000 MT), Taiwan (57,200 MT), Spain (52,100 MT, including 35,000 MT switched from unknown destinations), Israel (45,000 MT), Mexico (43,600 MT), and China (42,400 MT). Exports of 816,200 MT were two and one-tenth times the week earlier and 84 percent over the prior 4-week average. The main destinations were Nigeria (127,000 MT), Iraq (108,000 MT), Mexico (97,400 MT), Japan (75,100 MT), South Korea (65,400 MT), the Dominican Republic (50,800 MT), Spain (47,100 MT), and Taiwan (45,300 MT). (This summary is based on reports from exporters for the period September 9-15, 2005)

USDA Latest Export Sales Report on Rice

According to the latest export sales report for corn of USDA, the net sales of 171,100 MT were 92 percent above the previous week and 85 percent over the prior 4-week average. The major buyers were the Philippines (65,200 MT), Haiti (25,000 MT), Mexico (20,400 MT), Japan (13,400 MT), Nicaragua (12,700 MT), Jamaica (11,300 MT), Costa Rica (5,800 MT), and Togo (5,000 MT). Exports of 95,500 MT--a marketing-year high--were three and four-fifths times

the previous week and two times the prior 4-week average. The primary destinations were Iraq (38,200 MT), Nicaragua (12,700 MT), Papua New Guinea (7,500 MT), Canada (6,300 MT), Costa Rica (5,900 MT), Mexico (5,000 MT), Ghana (5,000 MT), Jamaica (4,000 MT), Honduras (3,200 MT), and Angola (3,000 MT). (This summary is based on reports from exporters for the period September 9-15, 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 (As on 24th September, 2005)

Meteorological Analysis

Last week's well marked low pressure area over East Madhya Pradesh and neighbourhood moved northwestwards and lay over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh on 15th. It moved in a northerly direction and intensified into a depression on 16th and lay over southwest Uttar Pradesh with its center close to Agra at 0830 hrs. IST. It lay about 100 km southeast of Delhi in the evening of 16th. It weakened into a low pressure area over West Uttar Pradesh on 17th morning and became less marked on 18th. However, the associated upper air cyclonic circulation persisted over the same area which moved over to Uttaranchal and neighbourhood of 18th evening and over to Uttaranchal and adjoining Himachal Pradesh on 19th. It became less marked on 20th morning.

Last week's depression over northeast Arabian Sea with its center at 20.5°N/68°E about 250 km west-southwest of Veraval persisted over the same area till 15th. It weakened into a well marked low pressure area on 16th morning. It then moved northwards and weakened into a low pressure area over Gujarat State on 17th and became less marked on 18th. The associated upper air cyclonic circulation persisted over Gujarat and adjoining southeast Rajasthan on 18th and moved away westwards to Pakistan on 19th morning.

An upper cyclonic circulation extending upto mid-tropospheric levels lay over north Andaman Sea and adjoining eastcentral Bay of Bengal on 15th. Under its influence, a low pressure area formed over the same area on 16th. It moved northwestwards and concentrated into a depression on 17th morning over northeast Bay of Bengal near lat. 20.5°N/long. 90.5°E with its center about 400 km southeast of Balasore. It moved in a westerly direction and intensified into a deep depression and lay centred at 0830

hrs. IST near lat.20.0°N/ long. 87.5°E about 100 km east of Paradeep on 18th morning. It then moved in a west-southwesterly direction and intensified into a cyclonic storm at 1730 hrs. IST of 18th and lay near lat. 19.5°N/ long.86.5°E about 80 km east-southeast of Puri. It crossed north Andhra Pradesh near Kalingapatnam on 19th morning at 0830 hrs. IST and lay centred near lat. 18.5°N/ long.84.0°E close to Kalingapatnam. It then moved westwards and lay centred at 1430 hrs. IST near lat. 18.5°N/ long.83.5°E about 50 km west of Kalingapatnam on the evening of 19th. It moved west-northwestwards and weakened into a deep depression with its center at 0230 hours IST of 20th near lat. 18.5°N/ long.83.0°E. about 100 km west of Kalingapatnam and at 0830 hrs. IST of 20th near lat. 19.0°N/ long.82.5°E close to Jagdalpur. It lay centered at 1430 hours IST of 20th near lat. 19.0°N/ long.81.5°E near about 50 km west of Jagdalpur. It weakened further into a depression at 1730 hrs. IST of 20th and lay centred near lat. 19.0°N/ long.80.5°E about 150 km west of Jagdalpur. It then moved northwestwards and lay centred at 0830 hrs. IST of 21st near lat. 19.5°N/ long.79.5°E close to Chandrapur in Vidarbha.

Rainfall

Under the influence of the above systems rain/thundershowers occurred at many places over northwest & central India, Gujarat, Konkan & Goa and Coastal Karnataka during 1st half of the week. During 2nd half of the week the rainfall activity increased along the east coast. Subsequently the rainfall belt shifted to the interior peninsula towards the end of the week. Isolated to scattered rains occurred over northeastern States, Sub-Himalayan West Bengal & Sikkim throughout the week except on 21st when rain/thundershowers occurred at most places with heavy rains.

Rainfall During The Week (Week ending on 21st September, 2005)

Rainfall was excess/normal in 25 and deficient/scanty in 11 out of 36 meteorological sub-divisions (Actual: 59.3 mm, Normal: 36.9 mm and Departure: +61%).

Cumulative Seasonal Rainfall (1st June to 21st September, 2005)

Rainfall was excess/normal in 31 and deficient/scanty in 5 out of 36 meteorological sub-divisions. (Actual: 835.0 mm, Normal : 848.5 mm and Departure: -2%).

Outlook For The Week Ending On September 28th, 2005

- 1). Fairly widespread to scattered rainfall with heavy to very heavy falls at a few places is likely over Maharashtra, Gujarat Coastal Karnataka and south Rajasthan till 24th. It will decrease significantly thereafter till the end of the week.
- 2). Rain/Thundershower are likely to be fairly widespread over western Himalayas and scattered over plains of northwest India in the first half of the week with reduction in the second half of the week.
- 3). Scattered light to moderate rainfall will continue in remaining part of India outside Tamil Nadu and south Andhra Pradesh where it may be isolated only.

FOREX (As on 24th September 2005):

Foreign Currency	Rs. per unit
1 US \$	43.93
1 Euro	53.35
1 British £	39.33
100 Yen	78.61

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