

Wheat

24th -29th October, 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: November (Future)

Candlesticks: The candlestick pattern is indicating slight weak undertone for the next trading day. The price opened below the last day's closing price and settled on lower side.

MACD: The MACD (7-day) is going to downward after cutting its EMA from up in positive territory. Indicating bearish sentiment as long-term basis.

Stochastic: The %K-line is going to downward after cutting the %D-line from up, remained in oversold region. Indicating trend reversal.

Relative Strength Index (RSI): The RSI (7-day) (39.94) is in the neutral condition. Indicating bearish sentiment.

Price ROC: 9-day price ROC (-0.3182) indicating bullish sentiment.

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

The open interest as well as the volume of trade is stable.

Outlook: The wheat futures are likely to remain range bound but trend reversal might be possible as short term. However, the wheat futures are likely to remain strong in long term. Openings of the prices may be on lower side in the coming days.



Support and Resistance Levels:

The first resistance is seen at 820.6 marks and the second at 823.8 marks. The first support is seen at 811.7 marks and the second at 809.8 marks as short term.

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
November	811.7	809.8	820.6	823.8

DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

Market Highlights

Delhi:

Wheat prices bounced back from its recent gains and settled at stable position at this weekend although the trend was uptrend as compared to last week. The mill quality dara wheat was traded at the range of Rs.810-812 per quintal as compared to Rs.815-820 per quintal of Wednesday at Lawrence road in Delhi. The demand remained slight less from flourmills as saturated demand of wheat products. It is expected that the wheat price to remain stable in the coming week.

Ahmedabad:

The wheat prices remained slight weak in this market at this weekend due to less demand from the market and slight strong arrival. In the Ahmedabad markets it traded at the range of Rs.830-835 per quintal at this weekend. The arrival was from Rajasthan. The market is expecting the price would be stable in the coming week.

Amritsar:

At the Amritsar market, the wheat prices remained strong due to strong demand from flourmills and less stock at the market yards. The wheat was traded at the range of Rs.800-805 per quintal at this weekend. The godown stocks were sold in the market. Wheat prices are likely to remain stable in the coming week.

Ludhiana:

Stable demand but surplus supply pushed down wheat prices at Ludhiana mandis. The godown stocks were sold in this market. The wheat was traded at the range of Rs.800-802 per quintal at this weekend. At the Jagraon market it remained strong at Rs.775-780 per quintal at this weekend.

Maharashtra:

The dara wheat variety prices maintained its strong sentiment in the Maharashtra market at this weekend as against of last week amidst good demand and less arrival. The arrival from M.P. was remained around 15000 gunny bags at this weekend. Strong support from flourmills and roller mills, well demand for wheat products and government intervention programme were a bullish factor for price hike up. The wheat was traded at the range of Rs.870-875 per quintal at this weekend.

Haryana:

Wheat was traded in the Haryana market on higher side in this week as compared to last week amidst strong demand from flourmills and less arrival and festive demand. The less stock was also a bullish factor for prices. At the Karnal, Hodal and Palwal market wheat was quoted at Rs 780-785, Rs 730-735 and Rs 740-780 per quintal, respectively. At the Hisar market, wheat was offered at a stable range of Rs 788-792 per quintal at this weekend.

Rajasthan:

The strong demand from Gujarat and strong spot market demand kept wheat prices stable in the Rajasthan market. At the Khairtal and Alwar market wheat was quoted at slight lower side Rs. 720-725 and Rs.715-720 per quintal, respectively at this weekend. On an average 50-100 bags arrival was noticed. At the Kota market wheat was available at a higher price of Rs 798-800 per quintal at this weekend.

Uttar Pradesh:

U.P mandis remained soft due to saturated market demand as the market was reached its highest level. In most of the market the prices remained on lower side. At the Hapur, Kanpur, Baranasi, and Bareilly markets, wheat was traded at the range of Rs.790-795, Rs.793-795 (mill quality), Rs.788-790 and Rs.780-782 per quintal at this weekend.

Vyada Bazaar:

At the futures market, the wheat futures remained weak at first few days of this week and continued this trend at this weekend also. There was a decreasing trend of prices. The prices likely to stable at the spot as well as futures market in the coming day.

The wheat futures at the NCDEX are expected to trade stable in very short-term period likely to Monday. However, uptrend sentiment is expected 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	29.10.05	22.10.05
Delhi (Lawrence Road)	810-812	809-810
Haryana (Dhabwali)	735-760	735-760
Ahmedabad	830-835	840-850
Ludhiana	800-802	815-820
Ludhiana (Jagraon)	775-780	780-785
Rajasthan (Kota)	798-800	795-798
Amritsar	800-805	780-790
Uttar Pradesh (Kanpur)	793-795	792-795
Uttar Pradesh (Bareilly)	780-782	783-785
Uttar Pradesh (Shahjahanpur)	818-820	815-817
Maharashtra	870-875	860-865

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

Wheat Products	29.10.05	22.10.05
Atta (90kg)	832	837
Maida Grade 1(90kg)	979	979
Suji (50kg)	551	551
Chokar (50 kg)	291	294
Chokar (35 kg)	193	194
Chakki Atta (90kg)	790	785

CONCLUSION

The wheat market reversed back from its recent gains at most of the mandis at this weekend. The positive factor was saturated demand from flourmills and selling intensity. At the futures market also the wheat was weak. It is expected that the wheat prices would strong in spot as well as futures market as long-term basis likely in this month due to less stock in the country.

INTERNATIONAL AND DOMESTIC NEWS:

Wheat Production to Touch 96.16 MMT in China

China's wheat output is anticipated to attain 96.16 million tons in the 2005-2006 fiscal year. Although the output is higher than expected, it will be lower than that in 2004 due to shrinking sowing acreage and falling per unit output. It also forecast that the country's winter wheat output will hit 91 million tons, and spring wheat output will be 5.16 million tons. Data from the National Bureau of Statistics showed that China's spring wheat output amounted to 5.74 million tons last year.

Wheat: 91% of 2006 Winter Crop Planted in Kansas

About 91 percent of the 2006 winter wheat crop has been planted, Kansas Agricultural Statistics Service reported on Monday. About 74 percent of the crop has emerged. The agency is giving the new crop good marks, although the harvest is months away. Wheat condition was rated as 10 percent excellent, 53 percent good and 32 percent fair. Just 5 percent of the crop was in very poor to poor condition.

Wheat: USDA Latest Weekly Export Sales Data

According to the latest export sales data of USDA, the net sales of 379,400 metric tons (MT) wheat were 4 percent below the previous week and 17 percent under the prior 4-week average. Increases reported for Egypt (115,800 MT), Japan (94,200 MT), the Philippines (86,000 MT), Nigeria (31,000 MT, including 27,000 MT switched from unknown destinations), South Korea (29,500 MT), Vietnam (13,000

MT, including 20,000 MT switched from unknown destinations and cancellations of 7,000 MT), and Nicaragua (10,200 MT) were partially offset by decreases for unknown destinations (52,000 MT). Exports of 698,800 MT were 27 percent above the week earlier and 16 percent over the prior 4-week average. The main destinations were Egypt (115,800 MT), Iraq (96,800 MT), Yemen (57,300 MT), Taiwan (48,400 MT), Nigeria (47,700 MT, including 5,000 MT late reporting), Malaysia (45,400 MT), Mexico (44,600 MT), Thailand (43,900 MT), Jamaica (32,100 MT), and the Philippines (24,500 MT, including 15,200 MT late reporting). (This summary is based on reports from exporters for the period October 14-20, 2005.)

IGC WORLD WHEAT ESTIMATES (27.10.05)

(Million tons)

	2002-	2003-04	2004-05	2005-06 (Forecast)	
				28.09	26.10
Production	566	555	623	609	609
Trade	106	103	106	109	109
Consumption	600	593	613	615	616
Stocks	165	127	138	132	130
Year-Year Change	-34	-38	+11	-5	-7
5 Major Exporters [#]	43	40	52	49	46

[#] 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%	
	24-Oct	21-Oct	24-Oct	21-Oct	24-Oct	21-Oct	24-Oct	21-Oct
Oct-05	186	185	192	190	196	194	220	218
Nov-05	185	184	191	189	195	193	219	217
Dec-05	170	169	185	183	189	187	214	211
Jan-06	171	171	187	186	191	189	216	214
Feb-06	170	170	187	185	190	189	215	213
Mar-06	162	161	188	186	191	189	216	214

PORT WATCH

No latest vessel position is reported at this weekend.

WEATHER WATCH (As on 28th October, 2005)

ZONE-WISE WEATHER FORECAST FOR NEXT 5-DAYS

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Mainly dry weather is likely to prevail over the region.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Isolated to scattered rainfall activity is expected over North-eastern States, Sub-Himalayan West Bengal & Sikkim. Isolated rains may occur over rest areas of the region except over East UP and Bihar where mainly dry weather

may prevail during next 3 days. Fairly widespread rainfall activity is expected over Orissa during next 48 hrs.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Scattered rains are likely over Chattisgarh, East MP and Vidarbha during next 48 hrs then decrease subsequently. Mainly dry weather is likely to prevail over West Madhya Pradesh during next 3-4 days.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

Widespread rains with heavy to very heavy rains at a few places are expected over Coastal

Andhra Pradesh, Rayalaseema, Interior Karnataka during next 2 days. Fairly widespread rains

are also likely over rest areas of the region with isolated heavy rains during this period. The

overall rainfall activity over Tamilnadu & Pondicherry and Kerala may decrease after 24 hours.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Isolated to scattered rainfall activity is expected over Maharashtra. Mainly dry weather is likely to

prevail over rest areas of the region.

WEATHER OUTLOOK

Yesterday's deep depression over southwest Bay of Bengal moved northwestwards and lay centered at 0830 ISI of 28 October, close to Ongole.

The Deep Depression is just crossing the AP coast between Ongole (15.5 deg N/80deg E) and Bapatla (16N/80E).

Under its influence, widespread rainfall with heavy to very heavy falls at a few places is likely over Coastal Andhra Pradesh and Rayalaseema during next 48 hours. Isolated heavy rainfall may also occur over Interior Karnataka, Talangana and coastal Orissa during next 24-36 hrs. Scattered rains may continue thereafter.

The western disturbance as an upper air system over North Pakistan and neighbourhood has moved away east-northeastwards leading to fair weather and chilly night over Jammu & Kashmir.

WARNING (AS ISSUED BY INDIA METEOROLOGICAL DEPARTMENT)

i) **Heavy to very heavy** rainfall likely at a few places over Coastal Andhra Pradesh and

Rayalseema. **Isolated heavy rainfall** is also likely over Andaman & Nicobar Islands, north

Tamilnadu, Talangana and Interior Karnataka and coastal Orissa.

ii) **Squally winds** with speed reaching 60-65 kmph likely along and off Coastal Andhra Pradesh during next 12 hrs. State of sea will be rough to very rough. Fishermen are advised not to venture into the sea.

FOREX (As on 29th October, 2005):

Foreign Currency	Rs. per unit
1 US \$	45.09
1 Euro	54.82
100 Yen	39.11
1 British £	80.46

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.