

WHEAT

10th APRIL, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

TECHNICAL ANALYSIS

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: April (Future)

NCDEX wheat futures climbed today and settled predominantly upper side on strong buying pressure. The slight strong price movement at the spot market also bolstered the futures market. The market is still eyeing on the government's decision about wheat MSP therefore it has been rallying high since couple of days. The futures market hovered at mostly higher side following slight weak opening and the market is totally maintained by bulls throughout the session. The April contracts settled mostly up by Rs.20.00 to Rs.802.40 following slight weak opening of Rs.782.00 and traded in between Rs.782.00-804.80 today.

Price Change: April Contracts

Contracts	Closing	Previous	Change
April	802.40	782.40	+20.00

Indicators: The all of the indicators are indicating to bullishness of wheat prices. Volume has increased but open interest has decreased today. MACD is going to upwards.

Outlook: Wheat futures are anticipated to remain strong initially in the coming days but it might be move down afterwards.

Advice: Buy near 779.5, target near 786.5 next 788.8 and stop loss at 776.0 marks.

Support and Resistance Levels:

The current resistance levels are at 806.2 and 815.2 marks and support levels are at 795.0 and 787.0 marks as very short term.

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
April	795.0	787.0	806.2	815.2



DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

DOMESTIC MARKET COMMENTARY

Wheat prices are spiralling at the spot market in **Delhi** amidst strong demands from stockists, mills as well as multinationals companies therefore it is offsetting the higher arrival according to the traders. Wheat dara mill quality has traded on upper side at Rs.760-765 per quintal, increased by Rs.5-10 per quintal with average arrival is registered at 15000-17000 bags at the Lawrence road in Delhi today. According to a trader, the arrival is totalled at around 1 lakh quintal of wheat in Delhi mandis. The arrival is also increasing at Narella and Najafgarh mandis. The

total arrival is witnessing around 40000 quintal at Narella and 30000 quintal at Najafgarh mandis today. The wheat mill quality has traded on stable side at Rs.700-720 per quintal at these mandis. The wheat is coming from Haryana and Uttar Pradesh.

The wheat prices remained almost range bound with steady in **Uttar Pradesh** market due to positive demand from buyers coupled with moderate arrival. The new wheat has traded at stable side at Rs.695-700/ql with average arrival of 1000-1200 quintal in Kasganj, Rs.695--705/ql

with 700-900 quintal arrival in Etha and Rs.690-695/qrtl with arrival of 700-800 quintal in Jeoni mandis. Wheat has traded at Rs.740-750 per quintal at Hapur Mandi today at stable side.

The wheat prices get restricted at most of the mandis in **Punjab** market due to fresh demand from multinationals companies in addition to stockists. Therefore the wheat prices remained stable though the arrival was higher. The new wheat is available in Patiala, Panipath, Jagraon, Sunam and Rajpura mandis. The market is still waiting for government decision of bonus on wheat MSP. The new wheat has also hit the Amritsar, Ludhiana etc. market. The average arrival was 1800-2200 bags each in Amritsar and Ludhiana market. In Jagraon mandis, arrival of new wheat was 2000-2500 bags. At Sunam, the largest mandi of the Punjab, wheat is offering at the rate of Rs.650-660/qrtl with strong arrival of 15000-20000 bags. Government has begun started to procure wheat at the prevailing MSP rate from the farmers.

In **Rajasthan** market, the market prices for wheat is maintain firming undertone due to rumour of bonus on wheat MSP and strong demand. The slight weak arrival also kept pressure on prices, according to a source. At Khairtal and Alwar market the new wheat has traded at Rs.740-745 per quintal, according to trade sources. The average arrival was 1500-2000 bags each at Khairtal and Alwar mandis. The demands from stockist were pronounced.

The wheat prices remained steady in **Maharashtra** market amidst slight weak arrival from MP and Gujarat today. At Jalgaon, the new wheat is offering at stable rate to Rs.810-825 per quintal with arrival of 6-9 lorries from MP and local area. Among the full arrival, 3-4 lorries were from local area at this mandis. The mill quality wheat is quoting at Rs.955-960 per quintal in Pune and Mumbai mandis with moderate arrival. The Lokman variety has traded within the range of 1250-1300 per quintal.

In **Madhya Pradesh** mandis, the wheat is offering at higher side amidst slight weak arrival and strong demand from stockists as well as various companies. The government procurement is also keeping pressure on wheat prices. The mill quality wheat is registered at Rs.850-870 per quintal at Indore mandis with arrival totalled 5000-8000 bags. The new wheat has also traded at Rs.750-760 per quintal with average arrival of 5000-7000 bags at Bhopal mandis today.

Wheat prices are screening almost steady in **Haryana** market due to pressure of government procurement coupled with purchasing of multinational companies though the arrival is strengthening. The new wheat has reached at Palwal, Hodal, Safidon, and Panipath etc region. At Hisar, Hodal and Palwal market it traded within the range of Rs.740-750, Rs.650-660 and Rs.650-660 per quintal at lower side.

In **Gujarat** market, the wheat prices rallies to increase at most of the mandis. New wheat has quoted at Rs.845-850 per quintal with arrival of 10000-12000 bags at Ahmedabad mandis today and Rs.850-860 per quintal with arrival of 15000-17000 bags at Dahod mandis.

The wheat prices are expected to stay steady to weak on coming **Monday** in the domestic spot market.

PRICES OF WHEAT PRODUCTS IN DELHI (in Rs.)

Wheat Products	7.04.06	8.04.06
Atta (90kg)	899	899
Maida Grade 1(90kg)	1048	1048
Suji (50kg)	582	582
Chokar (50 kg)	277	277
Chokar (35 kg)	173	173
Chakki Atta (90kg)	770	770

SPOT MARKET PRICE FOR WHEAT (In Rs./Quintal)

Markets	7.04.06	8.04.06
Delhi (Lawrence Road)	755-760	760-765
Haryana (Karnal)	740-745	740-745
Punjab (Khanna)	735-740	735-740
Ahmedabad	840-845	845-850
Ludhiana	680-685	680-685
Ludhiana (Jagraon)	660-670	660-665
Rajasthan (Kota)	830-835	845-850
Amritsar	760-765	760-765
Uttar Pradesh (Kanpur)	795-800	790-795
Uttar Pradesh (Bareilly)	723-727	730-735
Uttar Pradesh (Shahjahanpur)	770-775	770-775
Maharashtra (Jalgaon)	810-825	810-820
Madhya Pradesh (Satna)	720-735	725-735
Madhya Pradesh (Indore)	830-860	850-870

INTERNATIONAL MARKET:

CBOT Wheat Fell Down on Bearish Fundamentals

Chicago Board of Trade (CBOT) wheat futures fell down on Friday amidst light fund sales and bearish fundamentals, with new-crop Kansas City Board of Trade hard red winter wheat futures settled up on remaining U.S. HRW crop concerns after nearly day-long profit-taking losses. May wheat closed lower but well off the lows of the day that it posted in the early part of the session. Some overnight rains reported in Kansas and Oklahoma triggered a lower opening, as those areas need rain. CBOT May wheat settled down 1.25 cents at \$3.513, July Wheat closed down 1.25 cents at \$3.648. Traders are also looking ahead to Monday's USDA Supply/Demand report, with expectations calling for wheat ending stocks for the 2005/2006 season to drop slightly to near 535 million bushels from 542 million bushels from last month.

NEWS ANALYSIS:

Inflow of Wheat Increasing in Haryana Mandi

The arrival of new wheat crop has started in Haryana mandis with the arrival of 6,342 tonnes of the crop so far, according to the source. Haryana Deputy Chief Minister who is also in charge of the department of Food and Supplies, Chander Mohan, told that the six government procuring agencies has procured 3,406 tonnes of wheat out of the total wheat arrival. The purchasing price is at the MSP of Rs.650 per quintal. He also concluded that the Haryana government has arranged Rs.1837 crore for the wheat purchase adding that the procurement would continue till May 31. As many 352 mandis have been set up in the state for smooth procurement of wheat and a target procurement of 42 lakh tonnes has been fixed.

Punjab CM Justifies Wheat Import by India

According to Punjab Chief Minister Amarinder Singh, the additional 15-20 lakh tonnes of wheat import by the centre was justified due to low output of the crop in Uttar Pradesh and Madhya Pradesh had necessitated the decision. He said import of the foodgrain was necessary to feed the public distribution system. The Centre had decided to import wheat following shortage of the foodgrain in southern markets. Import was also undertaken to replenish the buffer stocks and to augment food security. He also concluded that farmers were not affected by the Centre's delay in declaring Minimum Support Price (MSP) for wheat, since the foodgrain in the state was being sold at a price higher than the MSP.

WEATHER OUTLOOK:

Under the influence of an approaching western disturbance, scattered to fairly widespread rain /snow is likely to commence over Jammu & Kashmir and Himachal Pradesh during next 24 hrs. This activity is likely to increase on 9th and 10th and extend into Uttaranchal also. Isolated to scattered rain/thundershowers may also occur over Punjab, Haryana including Delhi and north Rajasthan.

Scattered rainfall activity accompanied with isolated hailstorm/squall is likely to continue over northeastern States and Sub-Himalayan West Bengal & Sikkim during next 2-3 days.

Heat wave conditions have set in over most parts of Rajasthan, some more parts of Madhya Pradesh and some parts of East Uttar Pradesh.

NORTH-WEST INDIA: Scattered to fairly wide spread rain/snow over Jammu & Kashmir and Himachal Pradesh. Isolated rain/snow also likely over Uttaranchal from 9th. Rain/thundershowers at a few places over Punjab and Haryana including Delhi on 9th & 10th. Mainly dry weather over the rest region. Decrease in temperature over plains of northwest India from 10th.

EAST INDIA: Rain/thundershowers accompanied with isolated hail/squall are likely at a few places over West Bengal & Sikkim and isolated over Bihar and coastal Orissa. Mainly dry weather is likely over rest region.

NORTHEAST INDIA: Rain/thundershowers with isolated hail/squall at few places over Arunachal Pradesh, Assam & Meghalaya and at isolated places over the rest region.

SOUTH INDIA: Weather will be mainly dry over the region except isolated rain/ thundershowers over south Tamil Nadu and Kerala.

WEST INDIA: Weather will be mainly dry over the region except isolated rain/thundershowers are likely over north Rajasthan on 9th & 10th.

CENTRAL INDIA: Weather will be mainly dry over the region. The day temperatures in this region are likely to increase further by 1-2° C with heat wave spreading over other parts of central India.

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

Rainfall/snowfall activity is likely to decrease over the Western Himalayas.

Source: IMD, GOI

Winter wheat is in maturing to harvesting stages across north India will benefit from a recent turn to drier and warmer weather. Therefore excess rainfall might be damage the crop production.

FOREX (As on 9th April, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.63
1 Euro	54.48
100 Yen	37.91
1 British £	78.20

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