

WHEAT

22nd 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: May (Future)

NCDEX wheat futures fell down initially amid selling pressure as the market went to overbought region. The strong price movement at the spot market was supported mid to late session of the futures market to firm and finally settled firm. The futures market opened firm and traded bearish initially at early hours but later got support from the buyers and fetch the lifetime high at 885.50. The May contracts gained by Rs. 13.60 to Rs.882.20 following firm opening of Rs.870 and traded in between Rs.860.20-885.50 today.

Price Change: May Contract

Contracts	Closing	Previous	Change
May	882.20	869.00	+13.60

Indicators: Most of the indicators are hinting to bullishness of wheat prices but Stochastic indicating bearish sentiment. Volume increased while open interest decreased today.

Outlook: Wheat futures are expected to trade bearish in the coming days.

Advice: Buy above 876.4, target near 885.6 and stop loss at 870.8 marks.

Support and Resistance Levels:

The current resistance levels are at 866.45 and 850.60 marks and support levels are at 891.75 and 900.00 marks as very short term.

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
May	866.45	850.60	891.75	900.00



DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

DOMESTIC MARKET COMMENTARY

Wheat spot prices get restricted at the domestic spot market in **Delhi** today as stable demand-supply scenario. Though the arrival remained weak as compared with last week but it is remained stable over previous day. The total arrival was around 1-1.25 lakh bags in Delhi today. The wheat is coming from Haryana and Uttar Pradesh. Wheat dara mill quality has offered steady side at Rs.815-820/qlt as compared with previous day with average arrival of 12000-15000 bags at the Lawrence road. The mill quality wheat has traded at stable side of Rs.770-780/qlt with average arrival of 18000-25000 bags at Narella and Najafgarh mandis. Alipur mandis received around 40000-50000 bags of wheat.

Wheat prices remained strong in **Uttar Pradesh** today. The demand remained mostly strong from private companies as well as stockists. The arrival is likely to pick up at the end of April. The mill quality wheat is offering higher at Rs.770-775/qlt at Kasganj and Rs.760-765/qlt at Etha with average arrival of 5000-6000 quintal at each mandis. Wheat prices remained strong at Rs.750-755/qlt with 3000-3500 quintal arrival in Ujhani mandis today. Wheat has traded stable at Rs.770-775 per quintal at Hapur Mandi today.

The sentiment remained almost hot today in **Punjab**. The lower arrival as the farmers hoarding the stocks are pushing the prices mostly up. The average arrival was

25000-30000 bags in Amritsar market and it was around 30000-35000 bags at Ludhiana market. At Sunam, the wheat is offering at stable side of Rs.690-700/qlt with virtually very poor arrival.

In **Rajasthan** market, the sentiment for wheat market witnessed stable on limited arrival and hoarding the stocks by the traders and farmers. At Khairtal and Alwar market the new wheat has traded at slight stable side of Rs.780-790 per quintal with slight less arrival of 2500-3500 bags at each mandis. The demand from South India also aggravated the situation.

Wheat prices continued to trade bullish amidst restricted arrival and good buying support in **Maharashtra** market. The wheat prices were increased further by Rs.15-20/qlt at most of the mandis as compared with last day. The mill quality wheat is quoting at Rs.1005-1015 per quintal in Pune and Mumbai mandis.

The wheat prices are skyrocketing in **Madhya Pradesh** due to lower arrival and strong buying support from the private companies. Mill quality wheat has traded on upper side and average arrival witnessed at 5000-6000 bags at Indore and Bhopal mandis today. The wheat has traded at bullish side at Rs.850-860/qlt at Bhopal mandis today. The total arrival was around 1.25-1.50 lakh bags in MP today. Sharbati variety has quoted at the range of Rs.1000-1500/quintal.

In **Gujarat** market, wheat prices are hovering up and increased further by Rs.15-20/qlt on restricted arrival. The total arrival was around 10000-12000 bags each at Ahmedabad and Rajkot mandis today. Wheat prices remained firm at Rs.835-845/qlt at Rajkot mandis today. The total arrival was 60000-70000 bags in Gujarat today.

The wheat prices have risen by Rs.7-10/qlt in **Haryana** market on account of meagre arrival and strong buying support from the government along with multinational companies. At Dhabwali, Hisar, Hodal, and Palwal market, it traded within the range of Rs.670-680/qlt, Rs.650-660, Rs.690-695 and Rs.745-750 per quintal.

The wheat prices are expected to remain steady to strong on coming **Saturday** at the domestic spot market.

PRICES OF WHEAT PRODUCTS IN DELHI (in Rs.)

Wheat Products	20.04.06	21.04.06
Atta (90kg)	863	875
Maida Grade 1(90kg)	1028	1041
Suji (50kg)	571	573
Chokar (50 kg)	289	292
Chokar (35 kg)	183	182
Chakki Atta (90kg)	760	775

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

Markets	20.04.06	21.04.06
Delhi (Lawrence Road)	815-820	815-820

Haryana (Karnal)	795-800	803-807
Punjab (Khanna)	760-765	775-780
Ahmedabad	895-900	900-920
Ludhiana	685-690	685-690
Ludhiana (Jagraon)	680-685	685-690
Rajasthan (Kota)	925-930	925-930
Amritsar	651-655	690-700
Uttar Pradesh (Kanpur)	860-865	860-865
Uttar Pradesh (Bareilly)	840-845	855-860
Uttar Pradesh (Shahjahanpur)	855-860	875-880
Maharashtra (Jalgaon)	960-965	975-980
Madhya Pradesh (Satna)	855-860	860-865
Madhya Pradesh (Indore)	920-930	925-930

INTERNATIONAL MARKET:

CBOT Wheat Futures Witnesses Bearish Tone

Chicago Board of Trade (CBOT) wheat futures showed a downward sentiment Thursday supported by increases in Minneapolis Grain Exchange spring wheat futures due to a supportive supply-demand image. Weekly export sales for wheat came in at 392,000 metric tonnes as compared to trade expectations between 200,000-350,000, which was also provided support to the futures market. CBOT July wheat settled down by 1.5 cents at \$3.663. May slipped 1.75 cents at \$3.53 per bushel. Technical buying supported the market early but weakness in the other grains and concerns that the winter wheat belt gets hit with good rains early next week helped pressure the market into the mid-session.

NEWS ANALYSIS:

NCDEX Imposed 3% Special Margins on Wheat Contracts

The National Commodity & Derivatives Exchange (NCDEX) imposed 3% special margins on wheat futures contracts on Thursday. On the other hand, the Multi Commodity Exchange (MCX) did not impose special margins on wheat. The special margin was imposed on all long positions of wheat contracts like April, May, June, September, October, November and December as futures prices of all the contracts were increased by about 2% over the previous day. According to the contracts, the exchange can impose special margin if prices increases over 2% as compared with previous close.

Govt.'s Wheat Procurement Down by 2.0 MMT Over Last Year

According to the source, the government procurement remained down by 2.0 million metric tonnes (MMT) to 6.2 MMT as of April 1-19 compared with 8.2 MMT of last year same period. The lower procurement is due to the lower arrival and hoarding stocks by the farmers. The average arrival is estimated at 7.5-8.0 MMT, which is down from 8.5-9.0 MMT of last year. The MSP of wheat is lower than that of prevailing market price therefore the farmers are hoarding the stocks in expectation of higher price in future. The government's procurement in Punjab decreased by 1.0

MMT to 4.3 MMT as compared with 5.3 MMT of last year, according to source.

WEATHER OUTLOOK:

The rainfall activity has decreased considerably over east and northeastern States. This activity is likely to remain subdued except isolated rain/thundershowers are likely over Arunachal Pradesh and Assam. A low-pressure area is likely to form over southeast Bay of Bengal. The weather is suitable for harvesting at north Indian states. The harvesting is going ahead at most of the centre.

FOREX (As on 22nd April, 2006):

Foreign Currency	Rs. per unit
1 US \$	45.09
1 Euro	55.40
100 Yen	38.33
1 British £	80.15

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