

## WHEAT

14<sup>th</sup> 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 reversed back at second session from its earlier losses and settled mostly up amidst strong buying support and slight improvement on spot market prices. The wheat prices remained slight up in Delhi market today. The other bullish factor was low wheat stocks to the government. The wheat futures traded almost rangebound following weak opening but bounced back to strong position at late hour. The May contracts finished mostly up by Rs.9.40 to Rs.825 following slight weak opening of Rs.815 and traded in between Rs.815.00-825.80 today.

**Price Change:** May Contract

Contracts	Closing	Previous	Change
May	825.00	815.60	+9.40

**Indicators:** Stochastic is indicating to weakness of wheat prices but Candlesticks, RSI, MA and MACD are indicating to bullish market. Volume as well as open interest continued to decrease.

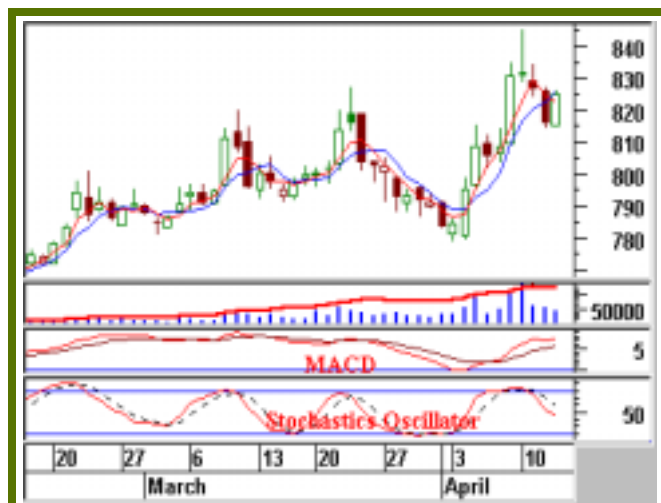
**Outlook:** Wheat futures are anticipated to trade bullish in the coming days.

**Advice:** Buy near 823.5, target near 830.9 next 835.2 and stop loss at 819.5 marks.

### Support and Resistance Levels:

The current resistance levels are at 830.9 and 835.2 marks and support levels are at 819.7 and 815.7 marks as very short term.

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
May	819.7	815.7	830.9	835.2



### DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

#### DOMESTIC MARKET COMMENTARY

Wheat prices continued to trade range bound with steady sentiment in **Delhi**. Wheat dard prices quoted steady side at Rs.767-772 per quintal today at the Lawrence road with average arrival of 20000-25000 bags from Haryana and Uttar Pradesh. The stockists are creating stocks therefore the demand from them remained strong and it offsetting the higher arrival. The total arrival remained around 2,00,000-2,25,000 quintal in Delhi today. Narella mandis fetched 50000-60000 quintal of wheat and it was 30000-35000 quintal at Najafgarh mandis. The demand from millers also remained strong. Wheat mill quality has traded

at Rs.710-715 per quintal at Narella and Najafgarh mandis today. Wheat market is likely to continue this tone in the coming days also, according to the marketmen.

The wheat market is continued to trade bullish amidst strong buying activity of stockists as well as private companies in **Uttar Pradesh** market. The arrival was also slightly poor as compared with last year at that time. The mill quality wheat fetched higher price of Rs.730-735/qlt at Kasganj, Etha and Ujhani mandis with average arrival was 2000-2500 quintal each mandis today. Wheat has traded at Rs.765-775 per quintal at Hapur Mandi today at stable side.

The wheat continued to trade rangebound with slight bullish at most of the mandis in **Punjab** due to amazing demand from private companies plus stockists and flour mills. The average arrival was in between 45000-50000 bags of wheat at Ludhiana and Jagraon market. At Sunam, the wheat is trading at the rate of Rs.651-655/mtl with higher arrival of 25000-35000 bags. Government has begun started to procure wheat at the prevailing MSP rate from the farmers at most of the market.

In **Rajasthan** market, the strong demand from the stockists coupled with flourmills again pushed up the wheat prices at most of the market today. According to the traders, the lower moisture percentage about 7-8% and good quality of wheat has bolstered the prices to up. At Khairtal and Alwar market the new wheat has quoted at Rs.760-770 per quintal. The average arrival was 7000-8000 bags each at Khairtal and Alwar mandis.

Wheat market remained slight weak today in **Maharashtra** market. The strike is going on against VAT. The harvesting is almost near to complete. The wheat prices remained slight weak at Rs.850-855/mtl at Jalgaon mandis with average arrival of 5-7 lorries from MP and Gujarat in addition to 3-4 lorries from local area. The mill quality wheat is quoting at Rs.950-960 per quintal in Pune and Mumbai mandis with reasonable arrival.

The wheat prices prevailed about steady at **Madhya Pradesh** due to the most of the mandis remained closed for MahavirJayanti. Mill quality wheat has quoted at Rs.900-920/mtl at Indore and Rs.770-780/mtl (Mandi rate) at Bhopal mandis. Cargill has closed their buying activity.

In **Gujarat** market, the wheat has traded at Rs.850-855/mtl at Ahmedabad and Rs.780-785/mtl at Rajkot mandis today on slight lower side. The average arrival was 12000-15000 bags at Ahmedabad and 25000-35000 bags at Rajkot mandis today. The private buyers are purchasing wheat at Rs.850-860/mtl at Rajkot.

Wheat prices fell down in **Haryana** market though the pressure of government procurement together with purchasing of multinational companies is remarkable. The total arrival was around 10000-12000 lakh tonnes in this state. At Hisar, Hodal and Palwal market it traded within the range of Rs.651-675, Rs.650-660 and Rs.700-710 per quintal.

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

#### PRICES OF WHEAT PRODUCTS IN DELHI (in Rs.)

Wheat Products	12.04.06	13.04.06
Atta (90kg)	865	865
Maida Grade 1(90kg)	1038	1038
Suji (50kg)	571	571
Chokar (50 kg)	280	280
Chokar (35 kg)	177	177
Chakki Atta (90kg)	770	770

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

Markets	12.04.06	13.04.06
Delhi (Lawrence Road)	765-770	767-772
Haryana (Karnal)	755-760	745-750
Punjab (Khanna)	740-745	742-748
Ahmedabad	860-865	850-855
Ludhiana	651-655	651-655
Ludhiana (Jagraon)	651-655	651-655
Rajasthan (Kota)	850-855	890-900
Amritsar	750-760	750-760
Uttar Pradesh (Kanpur)	812-817	850-855
Uttar Pradesh (Bareilly)	773-777	775-780
Uttar Pradesh (Shahjahanpur)	810-815	810-815
Maharashtra (Jalgaon)	855-865	850-855
Madhya Pradesh (Satna)	730-740	Closed
Madhya Pradesh (Indore)	900-920	Closed

#### INTERNATIONAL MARKET:

##### CBOT Wheat Moves Down From Overbought Condition

Chicago Board of Trade (CBOT) wheat futures fell down Wednesday amidst speculative and fund interest faded and many traders remained quiet and are watching for fresh market developments. News that the market were in overbought condition and weakness in corn helped trigger the early set-back. A bullish tone to Kansas City wheat early in the session provided some support but when July KC wheat moved down on the day after posting a new contract high, the market slipped to the lows of the day into the mid-session. CBOT May wheat slipped 7 cents at \$3.605 and July wheat closed down 6 cents at \$3.745, Kansas City Board of Trade remained strong 0.25 cent at \$4.623 and Minneapolis slid 4.75 cents lower at \$4.33. For the weekly export sales report, released before the opening, traders are looking for wheat sales near 250,000-400,000 tonnes as compared with 274,500 tonnes last week. The commodity markets will be remained close for Good Friday in front of the Easter holiday.

#### NEWS ANALYSIS:

##### Punjab CM Rejected the Bonus on Wheat MSP

Capt Amarinder Singh who is the Punjab Chief Minister reported yesterday that they rejected the demand of Rs.50 as bonus on wheat MSP. According to the source, the Opposition leader, Mr Parkash Singh Badal, made the demand. Capt Amarinder Singh said that the approximate bonus amount would be Rs 1,400 crore on the basis of Rs.50 as bonus. The government did not have such huge money to pay as bonus. It appeared that the Chief Minister was not buoyant of any increase in the MSP by the Union Government. Capt Amarinder Singh also concluded that farmers were already getting price of wheat more than that of MSP.

### Government's Wheat Stocks Remains 2.1 MMT

It is reported that the food grain stocks remained above but the wheat stocks prevailed very weak to the government. The current stocks of wheat is reported to 2.1 million tonnes as of April 1, which is down by 47.5% from the minimum buffer norms where as the food grain stocks are 0.5% above to 17.5 million tonnes as of April 1. According to the government, the prevailing stocks of wheat are sufficient to meet the domestic demands.

### WEATHER OUTLOOK:

Winter wheat is in harvesting stages across north India will benefit from a recent turn to drier and warmer weather.

The prevailing weather condition is suited for wheat harvesting.

### FOREX (As on 14<sup>th</sup> April, 2006):

Foreign Currency	Rs. per unit
1 US \$	45.30
1 Euro	54.88
100 Yen	38.27
1 British £	78.45

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