

Wheat

4th 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 continued to remain bearish today amidst strong selling pressure, which did not support the market to up. The weak spot market prices in Delhi also provided support the futures market to down, according to the traders. The market traded mostly range bound most of the session following weak opening and settled down. The market has reached to the oversold region. The April contracts settled down by Rs.3.00 to Rs.769.00 following weak opening of Rs.771.40 and traded in between Rs.765.20-773.00 today.

Price Change: April Contracts

Contracts	Closing	Previous	Change
April	769.00	772.60	-3.60

Indicators: The most of the indicators are indicating to bearishness of wheat prices but Candlesticks hinting slight bullish ness of prices, RSI and Stochastic has reached overbought region, hinting trend reversal near. Volume has decreased but open interest has increased today.

Outlook: Wheat futures are expected to trade bullish initially but over all sentiment might be bearish in the coming days.

Advice: Short near 773.6, target near 763.5 next 760.5 and stop loss at 779.0 marks. But trade cautiously.

Support and Resistance Levels:

The current resistance levels are at 775.7 and 781.5 marks and support levels are at 763.3 and 758.4 marks as very short term.

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
April	763.3	758.4	775.7	781.5



DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

DOMESTIC MARKET COMMENTARY

In **Delhi**, the wheat prices registered a strong bearish sentiment today on increasing in arrival. Wheat dara mill quality has registered to down by Rs.30-35 per quintal to Rs.760-765 per quintal as compared with Saturday at the Lawrence road. The sturdy arrival from Hodal, Palwal, Koshi, and Mathura was responsible for prices down. The arrival was around 15000-17000 bags at this market today, according to the marketmen. The stockists are not eager to buy wheat at the prevailing prices; they are now still

waiting for prices decline to Rs.745-750 per quintal, according to the traders. The sellers are worrying that the prices would go down further to Rs.745-750 per quintal as shortly. Narella and Najafgarh mandis are also showing bearish trend on fresh arrival of new wheat and wheat has traded at the range of Rs.750-760 per quintal on lower side.

The sentiments remained mixed in **Uttar Pradesh** market today. The prices increased by Rs.10-15 per quintal at

Kanpur and Shahjahanpur market due to fresh demand from stockists in addition to stable arrival. But the sentiment remained weak in Bareilly market amidst slight higher arrival. The new wheat has prevailed in between Rs.715-725 per quintal with arrival of 400-500 quintal at Kasgang and Rs.715-735 per quintal at Etha mandis with arrival of 300-400 quintal today. Wheat has traded at Rs.835-840 per quintal at Hapur Mandi today at lower side.

In **Punjab** market, the higher arrival from Rajpura, Patiala and other States pulled down the wheat prices at Khanna, Ludhiana and Amritsar market. The demand remained stable. The forth-coming crop is likely to hit the market in mid April as full fledged. The arrival of new wheat is increasing at Patiala and Rajpura mandis and traded within the range of Rs.750-760 per quintal with arrival of 700-900 quintal.

In **Rajasthan** market, the sentiment has improved today at most of the mandis amidst higher demand from neighbouring states. At Khairtal and Alwar market the new wheat has traded at Rs.715-720 per quintal on slight higher side. The average arrival was 850-1000 bags at Khairtal and 2000-2500 bags on Alwar mandis. The demands from stockist were good.

Gujarat market remained steady today. The demand from South India remained promising. The new wheat is also going to Mumbai. The wheat prices prevailed at Rs.810-815 per quintal at Ahmedabad mandis today with average arrival was 11000-15000 bags. According to a trader, around 4-5 racks have loaded for South India.

The wheat prices witnessed steady sentiment today in **Maharashtra** market amidst stable demand supply scenario. At Jalgaon, the new wheat has traded to Rs.800-810 per quintal with arrival of 8-12 lorries from MP and local area. Among the full arrival, 4-5 lorries were from local area at this mandis. The wheat prices remained also stable in Pune and Mumbai and traded within Rs.900-915 per quintal today with moderate arrival.

In **Madhya Pradesh** mandis, the wheat has traded stable at Rs.800-820 per quintal in Indore mandis with arrival of 15000-17000 bags. The demand remained strong from the stockists. The government procurement also kept pressure on prices. In Bhopal, the wheat has traded at the range of Rs.700-710 per quintal with arrival of 5000-6000 bags and the wheat is going to UP, Chattisgarh, Bihar and Maharashtra. At Satna, wheat has quoted at Rs.725-730 per quintal with arrival of 400-500 bags and it prevailed at Rs.725-735 per quintal at Harda mandis with arrival of 25000-30000 bags.

Wheat prices slipped further in **Haryana** market due to fresh arrival of new wheat crop at some pockets. The new wheat has reached at Palwal, Hodal, Safidon, and Panipath etc region. The arrival is increasing day by day at Hodal, Palwal and Karnal mandis. Therefore wheat prices have declined by Rs.45-50 per quintal at most of the mandis today. At Hisar, Hodal and Palwal market it traded within the range of Rs.740-750, Rs.660-685 and Rs.650-680 per quintal with higher arrival.

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

PRICES OF WHEAT PRODUCTS IN DELHI (in Rs.)

Wheat Products	1.04.06	3.04.06
Atta (90kg)	962	944
Maida Grade 1(90kg)	1111	1093
Suji (50kg)	617	607
Chokar (50 kg)	250	242
Chokar (35 kg)	185	179
Chakki Atta (90kg)	948	780

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

Markets	1.04.06	3.04.06
Delhi (Lawrence Road)	785-790	760-765
Haryana (Karnal)	820-825	775-780
Punjab (Khanna)	-	790-795
Ahmedabad	810-815	810-815
Ludhiana Old Wheat	950-960	920-950
Ludhiana (Jagraon) Old Wheat	945-955	925-945
Rajasthan (Kota)	790-795	800-805
Amritsar Old Wheat	890-905	885-900
Uttar Pradesh (Kanpur)	775-780	785-790
Uttar Pradesh (Bareilly)	775-780	750-755
Uttar Pradesh (Shahjahanpur)	765-770	773-777
Maharashtra (Jalgaon)	800-810	800-810
Madhya Pradesh (Satna)	700-730	725-730
Madhya Pradesh (Indore)	795-820	800-820

INTERNATIONAL MARKET:

CBOT remained closed on Saturday and Sunday.

NEWS ANALYSIS:

- **Government's Wheat Stocks 3.6 MMT As Of Mar 1, Down 36.8%.**
- **Govt Mar 1 Wheat Stocks Remains Down than Minimum Buffer Rule**
- **Wheat Stocks Enough To Meet 2.5 months Demand**

FCI Released 6.98 Lakh Tonnes Wheat in Jan-March

The additional selling of wheat by the Food Corporation of India is expected to over at most of centre in March. The FCI had released additional 50,000 tonne wheat in Delhi, Haryana, Jammu and Kashmir, Andhra Pradesh, Karnataka and Tamil Nadu under its Open Market Sale Scheme. FCI had released for January-March 2006 totalled 6.98 lakh tonne, including this additional release. Department of Food would also consider further releases under the OMSS in April 2006. The food subsidy bill would be reviewed in May once wheat procurement season gets over, according to the Union Agriculture and Food Minister Sharad Pawar.

He also concluded that they would review food subsidy situation in May. He made it categorical that the issue of cutting down Rs 23,000- 24,000 crore-food subsidy bills has to be carried out through a consensus.

Imported Wheat Likely to Arrive on 8th/9th April

According to a top government official, the imported wheat is likely to take breath on 8th or 9th April at a port in the southern region. About 2.5 lakh tonnes will come in April out of the 5-lakh tonnes being imported. All the five shipments would come in by the first half of April. The rest will come in by the first half of May. The official said the landed cost of the wheat was between Rs.920 to 930 per quintal.

WEATHER OUTLOOK:

In view of incursion of moist southerly flow over northeastern states from the Bay of Bengal, rain/thundershowers are likely at many places over northeastern states accompanied with hailstorm/ squall at a few places. Thunderstorm activity with hailstorm/squall is also likely at a few places over West Bengal & Sikkim and isolated over Bihar, Jharkhand and Orissa. Mainly dry weather is likely over most other parts of the country except isolated rain/thundershowers over peninsular India. Temperatures over northwest and central parts of the country and are likely to increase further while they are likely to decrease over the northeastern states.

NORTH-WEST INDIA: Mainly dry weather is likely over the region. Day temperatures over the region are likely to remain 2-4 °C above normal.

EAST INDIA: Rain/thundershowers are likely at a few Places over West Bengal & Sikkim and isolated over the

rest region. Isolated hailstorm/squall are likely over the region.

NORTHEAST INDIA: Rain/thundershowers at many Places with hail/squall at a few Places are likely over the region.

SOUTH INDIA: Isolated rain/thundershowers are likely over Kerala, Tamilnadu and Andhra Pradesh. Weather will be mainly dry over the region.

WEST INDIA: Weather will be mainly dry over the region with day temperatures over Rajasthan and interior Maharashtra likely be above normal by 2-3° C

CENTRAL INDIA: Weather will be mainly dry over the region.

Outlook for subsequent two days based on NCMRWF and other numerical weather products: The enhanced rainfall activity over northeastern states is likely to decrease.

Source: IMD, GOI

Winter wheat in filling to maturing growth 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 3rd April, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.61
1 Euro	53.77
100 Yen	37.62
1 British £	77.15

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