

WHEAT

11th 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 settled marginally up following mostly strong position today. The market driven forces was strong spot market prices and speculative buying. The wheat prices have climbed by Rs.25-30 per quintal in Delhi market today. The futures market traded mostly bullish side till second session following firm opening but slight strong fund selling pulled down the prices at late hour though the market remained marginally up. The market is still eyeing on the government's decision about wheat MSP therefore it has been rallying high since couple of days. The April contracts settled marginally up by Rs.0.40 to Rs.800.20 following firm opening of Rs.805.00 and hovered in between Rs.795.60-811.60 today.

Price Change: April Contracts

Contracts	Closing	Previous	Change
April	800.20	799.80	+0.40

Indicators: The most of the indicators are indicating to bullishness of wheat prices but Candlesticks and RSI is hinting to bearishness of wheat prices. Volume as well as open interest has increased today.

Outlook: Wheat futures are expected to prevail strong early in the coming days but it might be move down afterwards.

Advice: Sell near 808.5, target near 795.2 next 787.2 and stop loss at 815.0 marks.

Support and Resistance Levels:

The current resistance levels are at 804.8 and 811.9 marks and support levels are at 794.9 and 787.2 marks as very short term.

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
April	794.9	787.2	804.8	811.9



DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

DOMESTIC MARKET COMMENTARY

Wheat prices are soaring at the spot market in **Delhi** due to strong buying support from the stockists. The wheat prices have jumped by Rs.20-25 per quintal in Delhi today. The higher arrival did not offset the strong demand. The demand from other states like Maharashtra, outside of Gujarat etc. are also keeping pressure on wheat prices, according to sources. Wheat dara mill quality is offering at Rs.775-780 per quintal at the Lawrence road in Delhi today. The arrival was in between 20000-25000 bags at

this mandis from Mathura, Haryana etc. region. The demand from mill industry remained quiet but it did not much affect on prices. The totalled arrival was around 50000 quintal at Narella, 20000 quintal at Najafgarh, 30000 quintal at Alipur mandis, according to a source. The arrival is likely to increase at this mandis, they noted. The wheat mill quality has traded at Rs.780-790 per quintal at these mandis today.

The wheat prices rebounded from its early losses and traded on mostly upper side today in **Uttar Pradesh** market due to positive demand from buyers coupled with moderate arrival. The new wheat has traded at stable side at Rs.700-710/qrtl with average arrival of 1000-1500 quintal in Kasganj, Rs.705-710/qrtl with 600-800 quintal arrival in Etha and Rs.705-715/qrtl with arrival of 700-800 quintal in Ujhani mandis. Wheat has traded at Rs.750-760 per quintal at Hapur Mandi today at higher side. According to a source, multinational companies have begun to purchase wheat at Rs.795-800 per quintal as Etha delivery.

The wheat prices get restricted at most of the mandis in **Punjab** market due to fresh demand from multinationals companies other than stockists. Therefore the wheat prices prevailed 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 average arrival was 8000-10000 bags in Amritsar. At Sunam, the largest mandi of the Punjab, wheat is offering at the rate of Rs.650-660/qrtl with strong arrival of 17000-22000 bags. Government has begun started to procure wheat at the prevailing MSP rate from the farmers.

In **Rajasthan** market, the market prices for wheat get restricted due to stable demand supply scenario. 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.750-760 per quintal, according to trade sources. The average arrival was 3000-4000 bags each at Khairtal and Alwar mandis. The demands from stockist were remarkably strong.

The wheat prices remained slightly strong in **Maharashtra** market amidst slight weak arrival from MP and Gujarat today. At Jalgaon, the new wheat is offering at slight upper side at Rs.815-830 per quintal with arrival of 6-9 lorries from MP and local area. Among the full arrival, 4-5 lorries were from local area at this mandis. The mill quality wheat is quoting at Rs.980-990 per quintal in Pune and Mumbai mandis with moderate arrival. The Lokman variety has traded within the range of 1260-1310 per quintal.

In **Madhya Pradesh** mandis, the wheat has been offering at higher side since couple days 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.900-920 per quintal (Plant Delivery) and Rs.850-860/qytl as loose basis at Indore mandis with arrival totalled 5000-6000 bags. The new wheat has also traded at Rs.780-800 per quintal with average arrival of 10000-12000 bags at Bhopal mandis today.

Wheat prices have been showing almost balanced sentiment in **Haryana** market due to pressure of government procurement together 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 stable side.

In **Gujarat** market, the wheat prices rallies to increase at most of the mandis. New wheat has quoted at Rs.865-870

per quintal with arrival of 20000-30000 bags at Ahmedabad mandis today and Rs.810-820 per quintal with arrival of 25000-30000 bags at Rajkot mandis today. Multinationals companies are offering mill quality wheat at Rs.840-850 per quintal.

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

PRICES OF WHEAT PRODUCTS IN DELHI (in Rs.)

Wheat Products	8.04.06	10.04.06
Atta (90kg)	899	865
Maida Grade 1(90kg)	1048	1038
Suji (50kg)	582	571
Chokar (50 kg)	277	280
Chokar (35 kg)	173	177
Chakki Atta (90kg)	770	770

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

Markets	8.04.06	10.04.06
Delhi (Lawrence Road)	760-765	775-780
Haryana (Karnal)	740-745	740-745
Punjab (Khanna)	735-740	735-740
Ahmedabad	845-850	865-870
Ludhiana	680-685	680-685
Ludhiana (Jagraon)	660-665	660-665
Rajasthan (Kota)	845-850	845-850
Amritsar	760-765	750-760
Uttar Pradesh (Kanpur)	790-795	800-805
Uttar Pradesh (Bareilly)	730-735	755-760
Uttar Pradesh (Shahjahanpur)	770-775	800-805
Maharashtra (Jalgaon)	810-820	815-825
Madhya Pradesh (Satna)	725-735	730-740
Madhya Pradesh (Indore)	850-870	900-920

INTERNATIONAL MARKET:

CBOT remained closed on Saturday and Sunday.

NEWS ANALYSIS:

Haryana Contributed 91% of 3.6-LT Wheat to Centre

It was reported that the six government's procuring agencies have procured 91% of the 3.59-lakh tonnes (LT) of wheat, which has arrived in the Haryana grain markets till now. According to Haryana Deputy Chief Minister Chander Mohan, the Food and Supplies Department procured 86,489 tonnes, Hafed 1.17 lakh tonnes, Haryana Agro Industries Corporation 40,424 tonnes, FCI 45,928 tonnes, Haryana Warehousing Corporation 18,409 tonnes and Confed 22,619 tonnes. Karnal district remained in first

place with 83,016 tonnes followed by Kaithal with 70,237 tonnes and Kurukshetra 57,407 tonnes. The government had arranged Rs 1,837 crore for procure of wheat and fixed the share to be purchased by six procuring agencies, concluded by him.

Private Players Beating Govt. in Wheat-Procurement Battle

The government procurement is likely to taking a beating in Punjab and Haryana due to the private players are offering more money to farmers than the current MSP of wheat. The private players are offering Rs.700-750 per quintal as compared to Rs.650/qrtl (MSP) for purchasing of wheat at the Khanna market, which is the largest grain market of Asia. The procurement by government agencies, including the FCI, has been just around 18-20% so far. Private buyers have been purchased rest, according to a government official, in-charge of procurement. Stockists, too, have entered the scene, presenting themselves as private buyers, officials said. Among the genuine private buyers picking up wheat stocks were manufacturers and traders from the industry related to bread, biscuits and noodles. The Government put procurement target of 10 million metric tonnes of wheat in Punjab and it is unlikely to lift the target, according to a official. Till April 6, over 4,000 metric tonnes of wheat had arrived in Punjab's grain markets out of which procurement agencies were able to buy only about 700 metric tonnes in severe contrast to last year.

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 11th April, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.74
1 Euro	54.14
100 Yen	37.84
1 British £	77.95

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