

WHEAT

13th 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 again today on strong selling pressure and steady spot market prices. The wheat prices remained steady in Delhi market today, which also supported the futures market. The wheat futures traded mostly bearish side following weak opening throughout the trading session. The bears are mainly controlled the prices. There was lack of fundamental news to support the futures market to up. The May contracts finished down by Rs.9.60 to Rs.817.00 following slight weak opening of Rs.826 and traded in between Rs.814.40-827.00 today.

Price Change: May Contract

Contracts	Closing	Previous	Change
May	817.00	826.60	-9.60

Indicators: All of the indicators are indicating to weakness of wheat prices. Volume as well as open interest has decreased further today.

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

Advice: Sell near 820.0, target near 810.0 next 807.5 and stop loss at 825.0 marks.

Support and Resistance Levels:

The current resistance levels are at 819.6 and 824.1 marks and support levels are at 808.5 and 803.4 marks as very short term.

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
May	808.5	803.4	819.6	824.1



DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

DOMESTIC MARKET COMMENTARY

Wheat market showed a steady undertone today in **Delhi**. Wheat dara mill quality has quoted at steady side of Rs.765-770 per quintal today at the Lawrence road with average arrival of 20000-22000 bags from Haryana and Uttar Pradesh. The demand from the stockists remained moderate therefore it offset the higher arrival. The arrival remained strong, totalled around 1.5-2.0 lakh of wheat in Delhi. The arrival was 50000-60000 bags at Narella and 30000-40000 bags at Najafgarh mandis today. The wheat has offered at Rs.705-710 per quintal at these mandis. Though the demand from the mills showed weak

undertone. The market is till eyeing on the government's decision about increase of wheat MSP. The market is expected to down slightly in the coming days, according to the traders.

The wheat has traded on northern side today due to strong buying support with slight weak arrival in **Uttar Pradesh** market. The mill quality wheat is offering at higher side at Rs.715-725/qlt with average arrival of 1000-1200 quintal in Kasganj, Rs.710-715/qlt with 600-800 quintal arrival in Etha and Rs.705-715/qlt with arrival of 700-800 quintal in

Ujhani mandis. Wheat has traded at Rs.765-775 per quintal at Hapur Mandi today at higher side. According to a source, the strong buying support from the multinational companies has aggravated the wheat prices to go up.

The wheat has traded almost rangebound with positive at most of the mandis in **Punjab** market amidst dazzling demand from multinational companies as well as stockists and flour mills. But the strong arrival of 45000-50000 bags of wheat pulled down the wheat prices to Rs.651-655 per quintal at Ludhiana and Jagraon market. At Sunam, the wheat is trading at the rate of Rs.652-657/qrtl with bullish arrival of 25000-35000 bags. Government has begun started to procure wheat at the prevailing MSP rate from the farmers.

In **Rajasthan** market, the strong demand from the stockists coupled with flourmills pushed up the wheat prices at most of the market today. According to the traders, the lower moisture percentage about 8% and good quality of wheat has aggravated the situation. At Khairtal and Alwar market the new wheat has quoted at Rs.760-770 per quintal. The average arrival was 6000-7000 bags each at Khairtal and Alwar mandis.

Wheat market remained mostly range bound with steady today in **Maharashtra** market due to strike over VAT. The wheat prices remained slight weak at Rs.855-865/qrtl at Jalgaon mandis with average arrival of 4-7 lorries from MP and Gujarat in addition to 2-3 lorries from local area. The mill quality wheat is quoting at Rs.950-960 per quintal in Pune and Mumbai mandis with moderate arrival.

The wheat prices remained almost steady at **Madhya Pradesh** due to slight weak arrival. Mill quality wheat has quoted at Rs.900-920/qrtl at Indore with arrival of 5000-7000 bags and Rs.770-780/qrtl (Mandi rate) with 10000-12000 bags arrival at Bhopal mandis today. Cargill has closed their buying activity and weak demand from the Maharashtra market might be pulled down the prices again.

In **Gujarat** market, the wheat has traded at Rs.860-865/qrtl at Ahmedabad and Rs.785-790/qrtl at Rajkot mandis today. The average arrival was 10000-15000 bags at Ahmedabad and 25000-35000 bags at Rajkot mandis today. The private buyers are purchasing wheat at Rs.850-860/qrtl at Rajkot.

Wheat prices are increasing in **Haryana** market due to pressure of government procurement together with purchasing of multinational companies though the arrival is strengthening. The total arrival was around 9000-10000 lakh tonnes in this state. 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.750-755, Rs.660-670 and Rs.650-660 per quintal at slight higher side.

Wheat products prices get steady at most of the spot market amidst stable to weak wheat spot market prices. The atta, maida, suji and other products of wheat remained stable in Delhi spot market today.

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

PRICES OF WHEAT PRODUCTS IN DELHI (in Rs.)

Wheat Products	11.04.06	12.04.06
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	11.04.06	12.04.06
Delhi (Lawrence Road)	765-770	765-770
Haryana (Karnal)	755-760	755-760
Punjab (Khanna)	737-742	740-745
Ahmedabad	865-870	860-865
Ludhiana	682-688	651-655
Ludhiana (Jagraon)	665-670	651-655
Rajasthan (Kota)	845-850	850-855
Amritsar	750-760	750-760
Uttar Pradesh (Kanpur)	805-810	812-817
Uttar Pradesh (Bareilly)	755-760	773-777
Uttar Pradesh (Shahjahanpur)	805-810	810-815
Maharashtra (Jalgaon)	860-870	855-865
Madhya Pradesh (Satna)	Closed	730-740
Madhya Pradesh (Indore)	Closed	900-920

INTERNATIONAL MARKET:

CBOT Wheat Continues to Up on Fund Buying

Chicago Board of Trade (CBOT) wheat futures climbed up Tuesday triggered by new contract highs in Kansas City due to follow-through fund and speculative buying and on forecasts of dry conditions in the southern Plains. Minneapolis Grain Exchange also surged to new contract highs amidst wet conditions in the northern Plains. Talk of the overbought condition of the market and improving crop conditions helped trigger the early set-back but minor support held and futures pushed higher on the day. The move to a new contract high for new crop Kansas City wheat late in the session helped support the strong close. May KCBT soar 12 cents higher at \$4.62, following a new contract high of \$4.635. MGE May fetched 7.25 cents higher to \$4.378 and made a new contract high of \$4.41. CBOT May climbed 6.5 cents at \$3.675 and hit a four-week high of \$3.695. KCBT and MGE continued to support the CBOT wheat futures to increase.

NEWS ANALYSIS:

BKU Likely to Blockade Port to Check Wheat Import

The Bhartiya Kisan Union (BKU) said Wednesday that they would protest against the wheat import by India from abroad. Therefore they would block the southern ports, they reported. BKU President Mahinder Singh Tikait, has organized a special national executive meeting in Bangalore on April 22 to settle a plan to check the import of wheat by organizing a blockade of the southern ports, according to state unit chief Ajmer Singh Lakhwal. He also reported that the farmers were determined not to allocate the distribution of imported wheat in any part of the country. BKU of Punjab also said that they would boycott the grain markets on April 17 and 18 to protest against the import and wheat MSP.

Private Players Procuring Bulk of Wheat at Khanna

Private players are likely to overtake the government agencies about wheat procurement in Khanna. The Kargil Company proposes to procure over 1-lakh tonnes of wheat from Khanna, Karnal and Delhi this year, according to company official. NCDEX will also be lifting stocks from Abohar and Moga other than Khanna. According to a source, private traders lifted 45,567 quintals of wheat till Sunday; where as Punjab Agro Industries Corporation and FCI lifted only 512 quintals. The other government agencies like Punjab State Warehousing Corporation, Markfed, Punsup and Pungrain have not intervened in the

market till Sunday. Previous year, the private traders had procured about 3.40 lakh quintals of wheat, while government agencies had procured around 7.03 lakh quintals from Khanna market. The roller flourmills are also lifting the wheat from the market. As against a demand of 5 lakh tonnes, the private flourmills are expected to purchase more stocks this year, which will boost the supply and fell the flour price. Though private players are buying the maximum stock in Khanna, the government agencies in Rajpura, Nabha, and Samana are lifting up to 70% of the stocks, according to source.

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 13th April, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.93
1 Euro	54.58
100 Yen	38.03
1 British £	78.60

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