

WHEAT

21st 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 amidst technical correction as the market went to overbought region. The strong price movement at the spot market was supported early to the futures market to firm but slipped at late hour. The speculative buying bolstered the futures to up at the early hour. The futures market opened firm and traded bullish at most of the session but slight strong selling pressure pulled down the prices. The May contracts slipped by Rs.6.00 to Rs.868.60 following firm opening of Rs.876 and traded in between Rs.861-881 today.

Price Change: May Contract

Contracts	Closing	Previous	Change
May	868.60	874.60	-6.00

Indicators: Most of the indicators are hinting to bearish ness of wheat prices but MA and MACD are indicating bullish sentiment. Volume as well as open interest decreased today.

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

Advice: Sell near 880.0, target near 860.0 next 850.5 and stop loss at 890.0 marks.

Support and Resistance Levels:

The current resistance levels are at 876.2 and 882.9 marks and support levels are at 850.5 and 843.8 marks as very short term.

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
May	850.5	843.8	876.2	882.9



DEMAND, SUPPLY AND PRICES AT IMPORTANT CENTRES

DOMESTIC MARKET COMMENTARY

Wheat prices improved further today in **Delhi** on restricted arrival from Haryana and Uttar Pradesh, as the farmers are hoarding their stocks, expecting to further increase in prices. The totalled arrival is witnessed in Delhi today around 1-1.25 lakh bags. Therefore the wheat mill quality prices soared by Rs.5-10 per quintal to Rs.815-820/quintal with average arrival 10000-12000 bags at the Lawrence road today. The racks are loading from here for Maharashtra and South India. The demand from the stockists as well as millers is embarrassing and strong demand from the private companies aggravated the situation to up. They are

purchasing the wheat by increasing of Rs.15-25/qlt from the prevailing market price. The wheat has traded at Rs.770-778/qlt at Narella and Najafgarh mandis today. The arrival was around 20000-25000 bags at Narella, 15000-17000 bags at Najafgarh and 45000-50000 bags at Alipur mandis today.

Wheat prices remained mixed in **Uttar Pradesh** today. Excluding Shahjahanpur market, the wheat prices remained stable today on slight strong arrival but the wheat prices remarkably fell down at Shahjahanpur market. The arrival is likely to pick up at the end of April. The mill quality

wheat is offering steady at Rs.755-760/qrtl at Kasganj, Etha with average arrival of 4000-5000 quintal and Rs.730-735/qrtl with 2500-3000 quintal arrival in Ujhani mandis today. Wheat has traded bearish at Rs.770-775 per quintal at Hapur Mandi today.

The sentiment remained mixed today in **Punjab**. The prices declined in Amritsar market where as the prices remained firm at other markets. The government procurement is going on in this state. The average arrival was 2000-25000 bags in Ludhiana mandis. At Sunam, the wheat is offering at slight higher rate of Rs.690-700/qrtl with virtually poor arrival.

In **Rajasthan** market, the wheat prices are skyrocketing on restricted arrival and hoarding the stocks by the traders and farmers. At Khairtal and Alwar market the new wheat has traded at higher side of Rs.780-790 per quintal with slight less arrival of 3000-4000 bags at each mandis. The demand from South India also aggravated the situation.

Wheat prices maintained its bullish trend on restricted arrival and good buying support today in **Maharashtra** market. The wheat prices were increased further by Rs.35-40/qrtl at most of the mandis as compared with last day. The mill quality wheat is quoting at Rs.1000-1010 per quintal in Pune and Mumbai mandis.

The wheat prices are hovering up in **Madhya Pradesh** due to the lower arrival. Mill quality wheat has traded on upper side and average arrival witnessed at 3000-4000 bags at Indore and 4000-5000 bags at Bhopal mandis today. The wheat has traded at bullish at Rs.815-820/qrtl at Bhopal mandis today. The total arrival was around 1.0-1.5 lakh bags in MP today. Sharbati variety has quoted at the range of Rs.1000-1500/quintal.

In **Gujarat** market, the prices increased by Rs.20-30/qrtl on restricted arrival. The total arrival witnessed at 10000-14000 bags each at Ahmedabad and Rajkot mandis today. Wheat prices remained firm at Rs.830-835/qrtl at Rajkot mandis today.

Wheat prices increased further in **Haryana** market owing to feeble arrival and strong buying support from the government in common with multinational companies. At Dhabwali, Hisar, Hodal, and Palwal market, it traded within the range of Rs.670-680/qrtl, Rs.650-660, Rs.690-695 and Rs.745-750 per quintal.

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

PRICES OF WHEAT PRODUCTS IN DELHI (in Rs.)

Wheat Products	19.04.06	20.04.06
Atta (90kg)	863	863
Maida Grade 1(90kg)	1028	1028
Suji (50kg)	571	571
Chokar (50 kg)	289	289
Chokar (35 kg)	183	183
Chakki Atta (90kg)	760	760

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

Markets	19.04.06	20.04.06
Delhi (Lawrence Road)	805-810	815-820
Haryana (Karnal)	775-780	795-800
Punjab (Khanna)	745-750	760-765
Ahmedabad	880-885	895-900
Ludhiana	651-655	685-690
Ludhiana (Jagraon)	655-660	680-685
Rajasthan (Kota)	900-905	925-930
Amritsar	670-675	651-655
Uttar Pradesh (Kanpur)	860-865	860-865
Uttar Pradesh (Bareilly)	835-840	840-845
Uttar Pradesh (Shahjahanpur)	890-895	855-860
Maharashtra (Jalgaon)	925-930	960-965
Madhya Pradesh (Satna)	815-820	855-860
Madhya Pradesh (Indore)	910-920	920-930

INTERNATIONAL MARKET:

CBOT Wheat Futures Fell Down: Led by KCBT

Chicago Board of Trade (CBOT) wheat futures moved down on Wednesday bolstered by weakness in Kansas City Board of Trade wheat futures amidst forecasts for beneficial rains in drought-stricken areas of the southern Plains. KCBT July slipped 7.5 cents to \$4.51 a bushel; CBOT wheat settled marginally down by 0.5 cent at \$3.678 and Minneapolis Grain Exchange wheat declined 1.25 cents to \$4.305. The market was called higher on the opening but weakness developed in Kansas City with many forecasters boosting rain amounts for the southern plains for the next week in their overnight forecasts. Shortly after the opening, July KC wheat was down as much as 13 cents on the day. For the weekly export sales report, released before the opening, traders are looking for wheat exports near 200,000-350,000 tonnes as compared with 379,800 tonnes last week.

NEWS ANALYSIS:

Pakistan to Accept Barter Wheat for Sugar with India Soon

The government of Pakistan is allowing for bartering wheat to India for sugar as the country has a excess stock of wheat this year, according to a source. Earlier the Indian authorities given this proposal to Pakistan and it is likely to accept soon, said sources. The government is working on the proposal but the final decision will be taken after the new wheat crop is procured. The government is likely to restrict the import of wheat soon, they added. Pakistan has a surplus wheat stock of 2,149,805 tons. The government has pegged the target of procurement by 21.5 million tons but the country is likely to produce 20.5 million tons. The situation has put decision makers in midpoint over whether to accept the Indian offer or not. The country is expected to restrict the wheat import by the private sector.

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 21st April, 2006):

Foreign Currency	Rs. per unit
1 US \$	45.15
1 Euro	55.72
100 Yen	38.37
1 British £	80.74

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