

## WHEAT

26<sup>th</sup> April, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Wheat Traded with Firm Sentiment in Delhi Market
- Australian Wheat to Arrive in Chennai Port on Tuesday

### TECHNICAL ANALYSIS

**Exchange:** NCDEX

**Perspective:** Very Short Term (Daily)

**Contract:** May (Futures)

At the futures market the wheat futures at the NCDEX witnessed a bullish sentiment following a firm opening. The futures registered sharp gains at the opening session and traded mostly range bound at the higher side thereafter. The near-month May contract hovered in the range of Rs 882.00-895.80, while the June contract traded in the range of Rs 929.00-939.00 during Tuesday's trade.

**Price Change:** May Contract

Contracts	Closing	Previous	Change
May	890.40	884.40	+6.00

**Indicators:** The technical indicators are indicating slightly bearish sentiment. The stochastic are showing possibility of further downward movement.

**Outlook:** The wheat futures are likely to trade range bound with possibility of some downward movement.

**Advice:** Sell near 895.00, **Target** towards 885.00 and **Stop Loss** at 900.00.

### DOMESTIC MARKET:

#### MARKET FUNDAMENTALS

At the spot markets wheat was traded with a firm sentiment during Tuesday's trade. Wheat dara mill quality has offered at a higher price of Rs 830-835/qlt with arrival of 10000-12000 bags at the Lawrence road market of Delhi as against previous day. However, some interior markets witnessed weak sentiment during Tuesday's trade. Despite Government's decision to import 30 lakh tonnes of foreign wheat in near future to ensure adequacy in central buffer stock, wheat prices have not shown the desired impact. Stockist as well as private companies remained active in procuring wheat at higher prices that ultimately leading towards poor performance of the Government procurement agencies. Meanwhile, the first consignment of imported Australian wheat is scheduled to arrive at Chennai port on Tuesday, 25th April. However, traders feel that it would not impact much on local wheat prices as the imported consignment is meant for the Public Distribution System (PDS) in the Southern states. Notably, wheat prices in the southern states have jumped up by around 20 percent in this month alone.

### Support and Resistance Levels:

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
May	870.50	862.20	895.00	902.00



### SPOT MARKET PRICE FOR WHEAT

(In Rs./Quintal)

Markets	24.04.06	25.04.06
Delhi (Lawrence Road)	820	830-835
Haryana (Karnal)	820-825	815-820
Punjab (Khanna)	835-840	840-845
Ahmedabad	925-930	920-925
Ludhiana	715-720	715-720
Rajasthan (Kota)	925-930	920-925
Amritsar	715-720	720-725
Uttar Pradesh (Kanpur)	885-890	875-880
Uttar Pradesh (Bareilly)	870-875	835-840
Uttar Pradesh (Shahjahanpur)	875-880	870-875
Maharashtra (Jalgaon)	980-985	980-985

## PRICES OF WHEAT PRODUCTS IN DELHI

(in Rs.)

Wheat Products	24.04.06	25.04.06
Atta (90kg)	906	906
Maida Grade 1 (90kg)	1071	1071
Suji (50kg)	590	590
Chokar (50 kg)	295	297
Chokar (35 kg)	184	185
Chakki Atta (90kg)	800	800

### INTERNATIONAL MARKET:

#### CBOT Wheat Down on Speculative Selling, Improved Weather

The Chicago Board of Trade (CBOT) wheat futures settled lower on Monday as speculators sold amidst losses in CBOT corn futures and improved weather forecasts for US wheat areas for this week. It is reported that light rainfalls occurred in major US hard red winter (HRW) wheat producing state Kansas. The weakness in crude oil and precious metals futures also underpinned the market sentiments. However, weakness in dollar remains supportive for US wheat exports. The CBOT July wheat contract settled 1 ¾ cents lower at \$3.63 ½ per bushel, while the May contract finished 2 cents lower at \$3.50 ¾ per bushel. India's decision to import 3 million tons wheat during 2006 remain a bit supportive for the market, but the late week rainfall forecast for Kansas state weighed down on market. Traders are expecting that USDA would report US winter wheat conditions lower 1-2 percentage points from last week's 39 percent in good to excellent conditions. Moreover, it is also expected that 15-20 percent of U.S. spring wheat plantings be completed.

### NEWS ANALYSIS:

#### Australian Wheat to Arrive in Chennai Port on Tuesday

After a long gap of seven year, India is set to receive the first consignment of imported wheat on Tuesday at the Chennai port. The vessel M.V. Furness Australia carrying around 50855 tons of wheat is scheduled to arrive on Tuesday at the port. This is the first such consignment out of the total 5 lakh tonnes to be imported from Australian AWB Limited. Besides Chennai port the Tuticorin, Kochi, Vishakapatnam and New Mangalore ports would also receive such consignments over the next month and the entire quantity of imported wheat is likely to be arrived by end May. The next such consignment of around 50000 tons is expected in Tuticorin port on Sunday. Meanwhile, the Government is likely to float tender to import 3 million tonnes of wheat very soon. It is also learnt that

Government is working on easing norms for wheat import in order to ensure better participation of foreign suppliers as well as quick delivery of the same.

#### India Wheat Acreage at 102.38 Percent of Normal

According to the latest available weekly crop weather watch report by the Directorate of Wheat, the area coverage under wheat for the entire country is 268.928 lakh hectares, which is 102.38 percent of the normal area of the crop in the country. The coverage till 20th April is higher by 3.85 lakh hectares than the coverage in corresponding period of the previous year. The state-wise harvesting situation is given below:

**Punjab and Haryana:** About 40-45 percent crop has been harvested.

**Maharashtra, Gujarat, West Bengal, Madhya Pradesh and North Eastern States:** Harvesting of wheat crop is almost completed.

**Rajasthan:** About 70-80 percent wheat crop has been harvested.

**Uttar Pradesh:** 50-60 percent area under wheat crop has been harvested.

**Uttaranchal:** 45 percent area under wheat crop has been harvested in the state.

### WEATHER OUTLOOK:

Mainly dry weather conditions continued to prevail over the country except widespread rain/thundershowers over the Bay islands and isolated over West Bengal & Sikkim and northeastern states. Day temperatures are above 40°C over parts of Rajasthan, western Haryana, Madhya Pradesh, Chhattisgarh, Maharashtra and Telangana.

Heat wave conditions may set in over parts of Rajasthan, western Haryana and Telangana during next 1-2 days.

### PORT WATCH:

Kandla Port is expecting `Aristagoras' to load 30,000 MT of wheat to Ulsan. DBC agents will be handling the vessel.

Loading of 50,855 MT of wheat is expected at Chennai Port on the vessel `Furness Australia'. Seaways agents will be handling the vessel.

### FOREX (As on 25<sup>th</sup> April, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.83
1 Euro	55.50
100 Yen	39.10
1 British £	80.09

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