

## WHEAT

2<sup>nd</sup> MAY, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Wheat Continued to Trade Bearish in Spot Market
- India Claims High Levels of Pesticide in Australian Wheat

### TECHNICAL ANALYSIS

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: May (Futures)

NCDEX Wheat futures traded weak throughout the session period following very weak opening. There was lack of fresh buying position. The near-month May contract finished down by Rs.11.00 to Rs.855 following very weak opening of Rs.862. The May contract traded in the range of Rs 852.00-869.40.

Price Change: May Contract

Contracts	Closing	Previous	Change
May	855.00	866.00	-11.00

**Indicators:** All of the indicators are continuing to indicate bearish trend of wheat prices. Open interest as well as volume has increased today.

**Outlook:** The wheat futures are expected to remain bearish following weak opening in the coming day.

**Advice:** Sell near 861.00, **Target** towards 849.5, next 842.6 and **Stop Loss** at 867.00.

**Support and Resistance Levels:**

### DOMESTIC MARKET COMMENTARY:

#### MARKET FUNDAMENTALS

Wheat spot prices again fell down at the domestic spot market in India today amidst lack of buying activity. The wheat prices fell down by further Rs.15-25/qtl at most of the pockets. The wheat dara mill quality traded within the range of Rs.815-820/qtl at the Lawrence road. The totalled arrival was 15000-20000 bags at this market. The demand from the multinational companies and stockists remained very weak but the demand from the flourmills showed remarkable. The higher arrival also kept pressure on prices. The market is likely to decline further. Today, Delhi fetched around 2-3 lakh bags of wheat. Farmers are also eager to sell wheat at the spot market now. The government decision about reduction of wheat import duty might be bring down the wheat prices at the spot market. Though the distributing of imported wheat is hampering in the South Indian market due to higher level of pesticide residue (0.25%) in the Australian wheat as compared to permissible limits of 0.02%. The government has cancelled the licences of five multinational companies also supported the market to down.

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
May	835.5	829.5	861.5	869.5



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

Markets	29.04.06	1.05.06
Delhi (Lawrence Road)	820-825	810-815
Haryana (Karnal)	805-810	800-805
Punjab (Khanna)	830-835	807-812
Ahmedabad	900-905	900-905
Rajkot	-	825-830
Ludhiana	700-705	710-715
Rajasthan (Kota)	895-900	905-910
Amritsar	700-705	700-710
Uttar Pradesh (Kanpur)	860-865	845-850
Uttar Pradesh (Bareilly)	810-815	800-805
Maharashtra (Jalgaon)	935-940	925-930
Madhya Pradesh (Indore)	-	895-900
Madhya Pradesh (Bhopal)	-	840-850

### SALIENT FEATURES OF THE MARKET:

1. Loading of Australian Wheat Waiting in the Dock
2. India Claims High Levels of Pesticide in Australian Wheat
3. India Wheat Import Duty Cut May Bring Down Prices
4. Arrival is increasing due to releasing stocks by the stockist as well as farmers.
5. Government cancelled the procurement licences of the five multinational companies
6. Govt would import 30 lakh tonnes of wheat immediately to maintain buffer stock

### RATES OF WHEAT PRODUCTS IN DELHI

(In Rs.)

Wheat Products	29.04.06	1.05.06
Atta (90kg)	906	870
Maida Grade 1 (90kg)	1071	1043
Suji (50kg)	590	575
Chokar (50 kg)	301	301
Chokar (35 kg)	187	187
Chakki Atta (90kg)	810	800

### WEATHER OUTLOOK:

Scattered rainfall /thundershowers activity over likely to continue over Northeastern States.

Winter wheat in maturation to harvest across north India will benefit from a recent turn to drier and warmer weather. Though the most of the crop has been harvested.

### PORT WATCH:

Loading of 50,855 MT of wheat is continuing at Chennai Port on the vessel 'Furness Australia'. Seaways agents are handling the vessel.

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

Tuticorin Port is expecting 'Equinoxdown' to discharge 41,000 MT of wheat. St.John agents will be handling the vessel.

### FOREX (As on 1<sup>st</sup> May, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.97
1 Euro	56.41
100 Yen	39.39
1 British £	81.04

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