

WHEAT DAILY

18th MAY, 2006

SPOT MARKETS:

Wheat prices eased moderately at the domestic spot market today. At most of the centre the prices slightly declined by Rs.5-10/qlt on slight strong arrival pressure coupled with reducing buying demand from the private buyers as the prices went to mostly upper side. The demand from the mills remained also steady. Wheat dara mill quality quoted slight down at Rs.865-870/qlt with average arrival of 14000-16000 bags from Haryana and Mathura today at the Lawrence road in Delhi. The firm undertone is only noticed at U.P. mandis due to farmers are hoarding the stocks. Delhi fetched above 1-lakh bags of wheat today. The wheat prices eased at Ahmedabad and Kota mandis today with lack of buyers. Besides this the India government said that they have no plans to cancel Australian wheat. There was a speculation by the traders that the import was cancelled so prices were increasing. But the trend is now reversed back and is likely to remain steady to slight bearish in the coming days.

FUTURES MARKETS:

NCDEX Wheat futures reversed back to higher side at the morning and went to higher side but the profit booking coupled with selling pressure pushed down the wheat prices later while the sentiment remained slight bullish today. The slight weak physical market price also supported the futures market. The June contract finished slight up by Rs.2.40 to Rs.928.40 following weak opening and traded in between Rs.924.00-938.80 today.

PRICE DRIVERS:

Bullish:

1. Australian wheat import likely to delay as quality concern
2. Steady demand from the mills

Bearish:

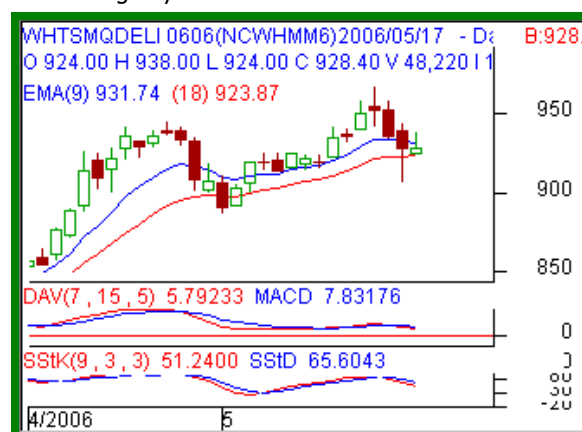
1. India considering 20 LMT of imports by direct users
2. STC further modifies specifications of wheat import tender
3. Reduced buying activity by the private buyers

WEATHER:

There is no impact of weather as the harvest has completed at most of the states. Heavy rainfall in North India is likely to hamper on arrival.

TECHNICALS:

Most of the indicators like Candlesticks, RSI, and Stochastic, MA is indicating to bearish ness of wheat prices. Volume as well as open interest has decreased today. It is expected that wheat futures to remain bullish following steady to weak opening in the coming days.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	921.1	916.5	928.4	934.8	939.5
July	955.4	948.5	966.0	973.3	985.2

TRADE RECOMMENDATION:

Sell near 935, **Target** towards 925 next 921, and put **Stop Loss** at 940.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	16.05.06	17.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	870-875	865-870	-5.00
Haryana (Karnal)	Wheat Mill quality	875-880	870-875	-5.00
Punjab (Khanna)	Wheat Mill quality	830-835	830-835	-
Gujarat (Ahmedabad)	Wheat Mill quality	957-962	955-960	-2.00
Rajasthan (Kota)	Wheat Mill quality	985-990	975-980	-10.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	907-912	910-915	+3.00
Madhya Pradesh (Indore)	Wheat Mill quality	995-1005	990-1000	-5.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.