

WHEAT

3rd MAY, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Wheat Prices Slightly Up in Spot Market
- CFTRI Clears Quality Tests of Australian Wheat

TECHNICAL ANALYSIS

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: June (Futures)

NCDEX Wheat futures bounced back to firm position today amidst slight upward spot market price and fund buying. The futures market traded mostly strong through out the session following steady to firm opening. The June contract settled mostly up by Rs.12.80 to Rs.903.60 following firm opening and hovered within the range of Rs.891-905 today.

Price Change: June Contract

Contracts	Closing	Previous	Change
June	903.60	890.80	+12.80

Indicators: Most of the indicators are continuing to indicate bearish trend of wheat prices except Candlesticks. Open interest as well as volume has decreased today.

Outlook: The wheat futures are likely to trade up following firm opening but downwards tone might be possible afterwards.

Advice: Buy near 900.3, Target towards 910.3, and Stop Loss at 895.0.

Support and Resistance Levels:

Contracts	Support Levels		Resistance Levels	
	S1	S2	R1	R2
June	900.3	891.3	914.6	921.7



DOMESTIC MARKET COMMENTARY:

MARKET FUNDAMENTALS

Wheat spot prices remained mixed today. In Delhi, Rajasthan and Haryana, the prices increased on sluggish arrival in addition to moderate buying activity but the prices fell down in U.P. and other markets showed steady sentiment. The stockists are hoarding their stocks, as the government procurement is much below as compared to last year and speculation of increase in prices in near future. The government is still now not declaring what would be the actual import duty on wheat following reduction. Therefore the market is in dilemma and wheat has traded almost steady to slight up at most of the trading centre. The wheat prices would not affect much more if small reduction on the import duty but it would be reverse if large reduction. Wheat dara mill quality quoted up at Rs.815-820/qlt with average arrival 12000-16000 bags at the Lawrence road. Delhi witnessed totalled arrival of 2-2.25 lakh bags from Haryana and Uttar Pradesh. The private buyers are also purchasing wheat from the Rajasthan and other markets though the activity remained slight sluggish, according to sources. Lower wheat stocks and procurement to the govt. also supported the market.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	1.05.06	2.05.06
Delhi (Lawrence Road)	810-815	815-820
Haryana (Karnal)	800-805	820-825
Punjab (Khanna)	807-812	807-812
Punjab (Sunam)	-	695-700
Ludhiana (Jagraon)	710-715	710-765
Ahmedabad	900-905	900-905
Rajkot	825-830	825-830
Rajasthan (Kota)	905-910	905-910
Uttar Pradesh (Kanpur)	845-850	825-830
Uttar Pradesh (Bareilly)	800-805	805-810
Maharashtra (Jalgaon)	925-930	930-935
Madhya Pradesh (Indore)	895-900	895-900
Madhya Pradesh (Bhopal)	840-850	840-845

SALIENT FEATURES OF THE MARKET:

1. Loading of Australian Wheat Waiting in the Dock
2. Central Food Technological Research Institute (CFTRI) at Mysore for testing and they had been cleared the quality tests
3. Govt. Procurement Likely to Strike 10-Year Low
4. World Market: Enough Wheat to Meet India's Demand
5. FCI: Wheat Stocks of 9.13 Mt as on May 1
6. Reducing Arrival as Hoarding the Stocks
7. Government Cancelled the Procurement Licences of the Five Multinational Companies
8. Govt Likely to Give Tender of Wheat Import within One Week

RATES OF WHEAT PRODUCTS IN DELHI

(In Rs.)

Wheat Products	1.05.06	2.05.06
Atta (90kg)	870	861
Maida Grade 1 (90kg)	1043	1035
Suji (50kg)	575	570
Chokar (50 kg)	301	301
Chokar (35 kg)	187	185
Chakki Atta (90kg)	800	785

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 2nd May, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.90
1 Euro	56.47
100 Yen	39.46
1 British £	81.88

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.