

## WHEAT

13<sup>th</sup> MAY, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Wheat Prices Climbing at Futures Market
- Australian Wheat Import Likely To Delay As Quality Concern

### TECHNICAL ANALYSIS

**Exchange:** NCDEX

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

**Contract:** JUNE (Futures)

NCDEX Wheat futures climbed today on speculative buying due to news of Australian wheat is likely to delay on quality concern. The strong physical market prices also supported futures market to fly. The June contract hovered up by Rs.13.40 to Rs.951 following strong opening at Rs.939 and traded in between Rs.939-958 today.

**Price Change:** June Contract

Contracts	Closing	Previous	Change
June	951.00	937.60	<b>+13.40</b>

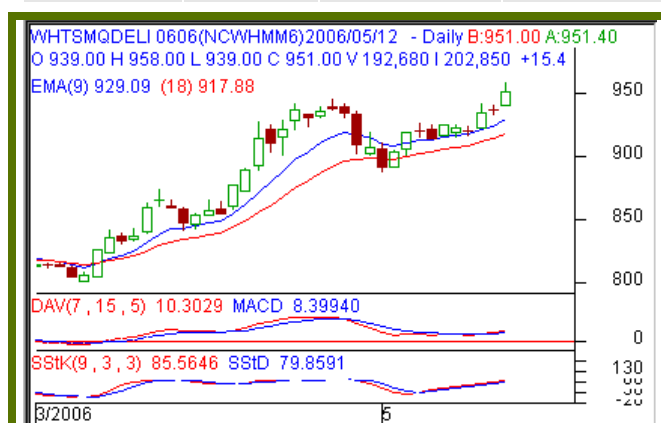
**Indicators:** All of the indicators are indicating to upwardness of wheat prices but Stochastic and RSI has reached overbought region. Volume as well as open interest increased today.

**Outlook:** Futures market is likely to remain firm following steady to strong opening in the coming day but trend reversal might be possible.

**Advice:** Buy near 946, Target towards 958, and put Stop Loss at 939.

**Support and Resistance Levels: JUNE Contracts**

Support Levels		Resistance Levels	
S1	S2	R1	R2
941.9	934.1	960.0	967.5



### DOMESTIC MARKET COMMENTARY:

#### MARKET FUNDAMENTALS

Wheat prices are maintaining a bullish trend in spite of the STC coming out with a tender to import 30 lakh tonnes late on Monday. This tender has encouraged the growers to hold back their stocks and as a result, prices have gained since Tuesday. It is witnessed that the prices has climbed at least by Rs.20-30/qlt at most of the pockets since the STC tender was floated. Wheat (dara) was quoted at Rs 835-840 a quintal at Hapur as compared to Rs 820-825/qlt when the tender was floated. In Delhi, wheat (dara) was quoted at Rs 850-855/qlt over Rs 820-825/qlt. At a time when there is a tight supply situation, the delay of shipments of rest of the 5 lakh tonnes of wheat to India could lead to further rise in domestic prices. Wheat prices remained strong today in Delhi market. The prices are prevailing at mostly upper side at UP, Punjab, Gujarat, Maharashtra and M.P. mandis today. At most of the pockets of these states, the prices soared by Rs.10-20/qlt. The prices remained steady side at Narella and Najafgarh mandis of Delhi and wheat dara has quoted at Rs.805-810/qlt with stable arrival of 10000-13000 bags. The purchasing pressure by the private buyers and companies

are aggravated the prices to mostly up. The prices are expected to prevail firm in the coming days.

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

Markets	11.05.06	12.05.06
Delhi (Lawrence Road)	845-850	850-855
Haryana (Karnal)	855-860	860-865
Punjab (Khanna)	835-840	855-860
Punjab (Sunam)	725-730	730-735
Ludhiana (Jagraon)	725-730	740-745
Ahmedabad	927-932	937-952
Rajkot	865-875	865-870
Rajasthan (Kota)	975-980	975-980
Uttar Pradesh (Kanpur)	885-890	885-890
Uttar Pradesh (Bareilly)	845-850	850-855
Madhya Pradesh (Indore)	970-980	975-985
Madhya Pradesh (Bhopal)	865-875	865-875

**SALIENT FEATURES OF THE MARKET:**

1. Australian wheat import likely to delay as quality concern
2. India eased quality norms for wheat imports
3. Ukraine exported 5.46 MMT of wheat till April
4. India likely to cut wheat import duty to 10-15%
5. Indian import tender sparks global wheat prices
6. Wheat Production Expected to Down at 71.5 MMT

**RATES OF WHEAT PRODUCTS IN DELHI****(In Rs.)**

Wheat Products	11.05.06	12.05.06
Atta (90kg)	875	870
Maida Grade 1 (90kg)	1049	1040
Suji (50kg)	578	573
Chokar (50 kg)	313	310
Chokar (35 kg)	193	188
Chakki Atta (90kg)	795	795

**WEATHER OUTLOOK:**

Isolated heavy rainfall likely over Sub-Himalayan West Bengal & Sikkim and Northeastern States. Scattered rainfall /thundershowers activity over Northeastern States likely to continue.

The winter wheat harvest across Pakistan and north India will benefit from a recent turn to drier and warmer weather. Around 90-95% crop has been harvested.

**PORT WATCH:**

Tuticorin Port is receiving 41,000 MT of wheat on the vessel 'Equinoxdown'. St.John agents are handling the vessel.

**FOREX (As on 12<sup>th</sup> May, 2006):**

Foreign Currency	Rs. per unit
1 US \$	45.05
1 Euro	57.98
100 Yen	40.92
1 British £	84.96

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