

## WHEAT

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

### MAJOR ACTIVITY HIGHLIGHTS

- Wheat Prices Fell Down at Futures Market at Late Hour
- Australian Wheat Import Likely To Delay As Quality Concern

### TECHNICAL ANALYSIS

**Exchange:** NCDEX

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

**Contract:** JUNE (Futures)

NCDEX Wheat futures fell down at late hour after made a new contract high today. Strong speculative buying and bullish spot market prices induced the bullish sentiment following strong opening but profit booking pushed down the prices at late hour. The June contract settled slight down by Rs.1.20 to Rs.951.60 following strong opening at Rs.954.80 and traded in between Rs.941-967 today.

**Price Change:** June Contract

Contracts	Closing	Previous	Change
June	951.60	952.80	-1.20

**Indicators:** Most of the indicators like Candlesticks, RSI, and Stochastic are hinting to bearish where as MA hinting to upward ness. Volume as well as open interest decreased.

**Outlook:** Futures market is expected to trade bearish early following steady to strong opening in the coming week.

**Advice:** Sell near 963, Target towards 948, and put Stop Loss at 970.5.

**Support and Resistance Levels: JUNE Contracts**

Support Levels		Resistance Levels	
S1	S2	R1	R2
942.1	936.9	965.0	970.0



### DOMESTIC MARKET COMMENTARY:

#### MARKET FUNDAMENTALS

Wheat prices continued to increase at the domestic spot market on concern about Australian wheat despite the STC tender was floated on Monday. Apart from this the lower procurement by the government is also encouraging the market to hover up. The aggressive buying by the Cargill, Adani, ITC etc. are pushing the prices beyond the limit. They are paying the farmers and sellers by increasing Rs.25-35/ql from the prevailing market price, which is inducing the prices to up. Wheat dara mill quality has increased by Rs.10-15/ql at Rs.860-865/ql today at the Lawrence road of Delhi with average arrival of 8000-10000 bags. The other bullish factor is the weakness in supplies. At Narella and Najafgarh mandis also it has quoted up at Rs.815-820/ql with totalled arrival of 10000-12000 bags at each mandis. The prices have increased by Rs.10-20/ql at most of the mandis in India like M.P., U.P., Gujarat, Rajasthan, Maharashtra and Haryana. Government has less stock in the inventory and therefore they are not capable to sell wheat at the market to curb down the prices. There is no stock limit on the purchasing of wheat by the private buyers. As a result the private buyers are most active to create stock.

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

Markets	12.05.06	13.05.06
Delhi (Lawrence Road)	850-855	860-865
Haryana (Karnal)	860-865	865-870
Punjab (Khanna)	855-860	860-865
Punjab (Sunam)	730-735	730-735
Ludhiana (Jagraon)	740-745	760-765
Ahmedabad	937-952	950-955
Rajkot	865-870	865-870
Rajasthan (Kota)	975-980	980-985
Uttar Pradesh (Kanpur)	885-890	887-892
Uttar Pradesh (Bareilly)	850-855	850-855
Madhya Pradesh (Indore)	975-985	990-995
Madhya Pradesh (Bhopal)	865-875	880-885

**SALIENT FEATURES OF THE MARKET:**

Australian wheat import likely to delay as quality concern  
 India eased quality norms for wheat imports  
 Govt. wheat procurement down by around 5 MMT  
 Downward outlook for global wheat production & consumption  
 Indian import tender sparks global wheat prices  
 Wheat Production Expected to Down at 71.5 MMT

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

Wheat Products	12.05.06	13.05.06
Atta (90kg)	870	870
Maida Grade 1 (90kg)	1040	1040
Suji (50kg)	573	573
Chokar (50 kg)	310	310
Chokar (35 kg)	188	188
Chakki Atta (90kg)	795	795

**WEATHER OUTLOOK:**

Isolated heavy rainfall likely over West Bengal & Sikkim and Northeastern States. Rainfall /thundershowers activity over Northeastern States and Bay Islands is likely to increase.

The winter wheat harvest across 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	58.04
100 Yen	40.94
1 British £	85.36

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