

WHEAT

4th MAY, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Wheat Prices Hovering Up in Spot Market
- Wheat Harvesting: Around 85-90% Completed

TECHNICAL ANALYSIS

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: June (Futures)

NCDEX Wheat futures soared further and extended previous strengths today amidst speculative buying and strong spot market price. The futures market remained mostly strong through out the session following strong opening. The June contract soared by Rs.16.60 to Rs.919.40 following firm opening of Rs.905 and floated within the range of Rs.900-919.40 today.

Price Change: June Contract

Contracts	Closing	Previous	Change
June	919.40	902.80	+16.60

Indicators: Most of the indicators are indicating to bullishness of wheat prices except Stochastic, which is hinting to weakness of prices. Open interest as well as volume increased today.

Outlook: The wheat futures are expected to remain firm in the coming days following steady to firm opening.

Advice: Buy near 915.5, Target towards 925.5 next 930.2, and Stop Loss at 910.0.

DOMESTIC MARKET COMMENTARY:

MARKET FUNDAMENTALS

Due to weakness in arrival coupled with steady to strong demand from the stockists as well as flour millers are bolstering the wheat prices to increase. At most of the trading centre the wheat prices are hovering up today except Haryana and Punjab, where the prices remained steady to down. Wheat dara mill quality increased by Rs.5-10/qtl to Rs.820-825/qtl at the Lawrence road in Delhi today with totalled arrival witnessed to 14000-16000 bags and Delhi fetched around 1.25-1.50 lakh bags. Higher purchases by wheat-based industry and trade coupled with relatively lower crop yields in Punjab and Haryana and withholding of stocks by large farmers have caused a shortfall of nearly 4.5 million tonne in wheat procurement so far this year. The industry and the farmers predict the wheat prices to remain firm this year. According to the latest information of FCI, Punjab mandis have fetched 7.7 million tonne of wheat till today, of which the public agencies bought about 6.7 million tonne and the trade about 1 million tonne. In Haryana, of the total arrival of 2.8 million tonne of wheat, the government procured about 2.2 million tonne and the trade about 6 lakh tonne.

Support and Resistance Levels: JUNE Contracts

Support Levels		Resistance Levels	
S1	S2	R1	R2
915.1	906.0	927.8	934.1



SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	2.05.06	3.05.06
Delhi (Lawrence Road)	815-820	820-825
Haryana (Karnal)	820-825	815-820
Punjab (Khanna)	807-812	807-812
Punjab (Sunam)	695-700	695-705
Ludhiana (Jagraon)	710-715	710-715
Ahmedabad	900-905	905-910
Rajkot	825-830	835-845
Rajasthan (Kota)	905-910	915-920
Uttar Pradesh (Kanpur)	825-830	835-840
Uttar Pradesh (Bareilly)	805-810	805-810
Maharashtra (Jalgaon)	930-935	920-930
Madhya Pradesh (Indore)	895-900	890-900
Madhya Pradesh (Bhopal)	840-845	840-850

SALIENT FEATURES OF THE MARKET:

1. Wheat Harvesting: Around 85-90% Completed
2. Punjab: Estimated Wheat Production to 14.6 MMT
3. Govt. Procurement Likely to Hit 10-Year Low
4. Haryana: Wheat Output Likely to Down by 38 qtl/ha
5. FCI: Wheat Stocks of 9.13 Mt as on May 1
6. FCI Likely to Receive Delivery of Australian Wheat
7. No Quality Problems On Imported Wheat
8. Govt Likely to Give Tender of Wheat Import within One Week
9. Private Companies Like Adani, ITC etc. Purchasing Wheat from M.P., Rajasthan, and Punjab etc.

RATES OF WHEAT PRODUCTS IN DELHI

(In Rs.)

Wheat Products	2.05.06	3.05.06
Atta (90kg)	861	861
Maida Grade 1 (90kg)	1035	1035
Suji (50kg)	570	570
Chokar (50 kg)	301	301
Chokar (35 kg)	185	185
Chakki Atta (90kg)	785	785

WEATHER OUTLOOK:

Scattered rainfall /thundershowers activity is likely to maintain over Northeastern States.

Winter wheat in harvest stage 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 3rd May, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.86
1 Euro	56.77
100 Yen	39.71
1 British £	82.84

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