

## WHEAT

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

### MAJOR ACTIVITY HIGHLIGHTS

- Wheat Prices Remains Firm at Most of the Pockets
- Wheat Production Expected to Down at 71.5 MMT

### TECHNICAL ANALYSIS

**Exchange:** NCDEX

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

**Contract:** JUNE (Futures)

NCDEX Wheat futures traded range bound today amidst lack of fundamental news. The futures market opened firm and went to higher level but profit booking at higher level pushed down the prices slight low. The June contract settled slight up by Rs.1.80 to Rs.935.60 following strong opening at Rs.936.80 and traded in between Rs.932.00-940.40 today.

#### Price Change: June Contract

Contracts	Closing	Previous	Change
June	935.60	933.80	+1.80

**Indicators:** Most of the indicators are hinting to strong ness of wheat prices but Stochastic has reached overbought region. Volume as well as open interest decreased today.

**Outlook:** Market is expected to strong following steady to weak opening in the coming day.

**Advice:** Buy near 930.5, Target towards 939.5 next 942.5, and Stop Loss at 925.5.

#### Support and Resistance Levels: JUNE Contracts

Support Levels		Resistance Levels	
S1	S2	R1	R2
928.6	922.0	941.4	947.5



### DOMESTIC MARKET COMMENTARY:

#### MARKET FUNDAMENTALS

Wheat prices remained mixed at the domestic spot market in India. The prices continued to increase in Delhi on reducing arrival and building stocks by the stockists. In addition to, the demand from flourmills is also remaining pronounced. Therefore wheat prices increased to Rs.845-850/qtl with totalled arrival of 12000-13000 bags from Haryana at the Lawrence road. The racks are loaded for Assam and Bangalore from this state. Around 2-3 racks have loaded in this week. The sentiments also witnessed firm at Rajasthan and Haryana mandis today with meagre arrival and strong buying support from the buyers like Cargill, Adani etc. However the prices is witnessed almost steady at other markets like M.P., U.P. and Gujarat. In this year, it is witnessing that the global wheat production is likely to decrease therefore it is expecting that the world wheat prices to remain firm. Consequently the cost of imported wheat by India would be increased. On the other hand, building stocks by the Cargill, Adani, ITC, AWB etc kept pressure on prices as they are buying wheat from the farmers and markets at higher prices than MSP as well as market price. According to the marketmen, the domestic

prices are expected to remain steady for some times and remain strong as long term.

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

Markets	10.05.06	11.05.06
Delhi (Lawrence Road)	840-845	845-850
Haryana (Karnal)	840-845	855-860
Punjab (Khanna)	835-840	835-840
Punjab (Sunam)	720-725	725-730
Ludhiana (Jagraon)	720-725	725-730
Ahmedabad	925-930	927-932
Rajkot	860-870	865-875
Rajasthan (Kota)	960-965	975-980
Uttar Pradesh (Kanpur)	885-890	885-890
Uttar Pradesh (Bareilly)	840-845	845-850
Madhya Pradesh (Indore)	970-980	970-980
Madhya Pradesh (Bhopal)	870-900	865-875

**SALIENT FEATURES OF THE MARKET:**

1. CBOT Wheat Witnesses Mixed Sentiment on KCBT
2. AWB Likely to Bid for Indian Wheat Import Tender
3. Wheat Prices Increasing in Europe
4. India likely to cut wheat import duty to 10-15%
5. Indian import tender sparks global wheat prices
6. Wheat Output Expected to Slip in U.S.
7. Wheat Production Expected to Down at 71.5 MMT

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

Wheat Products	10.05.06	11.05.06
Atta (90kg)	875	875
Maida Grade 1 (90kg)	1049	1049
Suji (50kg)	578	578
Chokar (50 kg)	313	313
Chokar (35 kg)	193	193
Chakki Atta (90kg)	795	795

**WEATHER OUTLOOK:**

Scattered rainfall /thundershowers activity over Northeastern States likely to continue.

Winter wheat in harvest stage 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 11<sup>th</sup> May, 2006):**

Foreign Currency	Rs. per unit
1 US \$	45.07
1 Euro	57.45
100 Yen	40.54
1 British £	83.67

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