

## WHEAT

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

### MAJOR ACTIVITY HIGHLIGHTS

- Sentiment Remaining Bullish at the Spot Market
- Second Imported Cargo of Wheat Arrived at Tuticorin Port

### TECHNICAL ANALYSIS

**Exchange:** NCDEX

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

**Contract:** June (Futures)

NCDEX Wheat futures settled marginally up today amidst profit booking at higher level. The prices soared following firm opening on higher spot prices but profit booking at higher level pushed down the prices at late hour. The June contract settled slightly up by Rs.1.00 to Rs.918.60 following firm opening of Rs.919.60 and traded within the range of Rs.914.20-925.60 today.

**Price Change:** June Contract

Contracts	Closing	Previous	Change
June	918.60	917.60	+1.00

**Indicators:** Most of the indicators are indicating to bullishness of wheat prices except Candlesticks, which is hinting to weakness of prices. Open interest remained steady but volume has decreased today.

**Outlook:** The wheat futures are expected to remain slight bullish following weak opening in the coming day but downwards tone might be possible afterwards.

**Advice:** Buy near 912.9, Target towards 920.7 next 923.5, and Stop Loss at 908.2.

**Support and Resistance Levels: JUNE Contracts**

Support Levels		Resistance Levels	
S1	S2	R1	R2
913.9	905.5	922.3	928.1



### DOMESTIC MARKET COMMENTARY:

#### MARKET FUNDAMENTALS

The bullish undertone for wheat prices is still witnessing at the domestic spot market. In Uttar Pradesh, the prices hovered up by Rs.15-30/qlt today amidst decline in arrival in addition to significant buying activity by the private buyers. The lower stock as well as poor procurement to the government also encouraged the prices to up. According to the big traders, the wheat industry does not expect to get subsidized wheat from the government stocks and was, therefore, stocking up to meet their requirements. The various companies like ITC, Adani, Shaktibhog etc. are most active in the market to picking up the wheat from the farmers at higher price than MSP. Wheat dara mill quality quoted up by Rs.5-10/qlt at Rs.825-830/qlt with average arrival of 12000-15000 bags at the Lawrence road in Delhi, while totalled arrival witnessed at around 1.0-1.25 lakh bags at this state. It has offered at slight up at Rs.795-805/qlt at Narella and Najafgarh mandis today. The prices remained firm at Kasgang, Ettah and Unnao mandis of Uttar Pradesh and wheat is offering at Rs.760-770/qlt with average arrival of 2000-3000 bags. The arrival remained poor in U.P. and M.P. for marriage occasion at this time.

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

Markets	3.05.06	4.05.06
Delhi (Lawrence Road)	820-825	825-830
Haryana (Karnal)	815-820	820-825
Punjab (Khanna)	807-812	823-827
Punjab (Sunam)	695-705	690-700
Ludhiana (Jagraon)	710-715	710-715
Ahmedabad	905-910	905-910
Rajkot	835-845	835-840
Rajasthan (Kota)	915-920	920-925
Uttar Pradesh (Kanpur)	835-840	865-870
Uttar Pradesh (Bareilly)	805-810	815-820
Maharashtra (Jalgaon)	920-930	940-950
Madhya Pradesh (Indore)	890-900	900-915
Madhya Pradesh (Bhopal)	840-850	840-850

## SALIENT FEATURES OF THE MARKET:

1. Govt.'s Procurement Stagnant to 20 Mt in M.P
2. Punjab: Estimated Wheat Production to 14.6 MMT
3. USDA Raised Wheat Import by India to 4.5 MMT
4. Haryana: Wheat Output Likely to Down by 38 qtl/ha
5. FCI: Wheat Stocks of 9.13 Mt as on May 1
6. Second Imported Cargo of Wheat Arrived at Tuticorin Port
7. No Quality Problems On Imported Wheat
8. Private Buyers Purchased Over 3 MMT of Wheat

## RATES OF WHEAT PRODUCTS IN DELHI

(In Rs.)

Wheat Products	3.05.06	4.05.06
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:

The dry weather is likely to maintain over Northeastern States and most part of the country.

Winter wheat in harvest stage across north India will benefit from a recent turn to drier and warmer weather. Around 85-90% crop has been harvested.

## PORT WATCH:

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 4<sup>th</sup> May, 2006):

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

## 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.