

WHEAT

8th MAY, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Wheat Prices Increasing at the Spot Market
- India: Wheat Import Likely to Hit 5.5 MMT in FY 2007

TECHNICAL ANALYSIS

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: JUNE (Futures)

NCDEX Wheat futures rebounded to firm position and covered its early losses today amidst strong speculative buying and strong physical market price. The futures market opened strong and traded on significantly bullish side through out the trading session. The June contract soared by Rs.10.00 to Rs.924.80 following firm opening of Rs.915.60 and traded within the range of Rs.915-925 today.

Price Change: June Contract

Contracts	Closing	Previous	Change
June	924.80	914.80	+10.00

Indicators: All of the indicators are indicating to firmness of wheat prices. Volume has decreased but open interest remained steady.

Outlook: It is expected that the prices would remain firm following strong opening in the coming trading day.

Advice: Buy near 924.2, Target towards 933.9 next 937.5, and Stop Loss at 919.5.

Support and Resistance Levels: JUNE Contracts

Support Levels		Resistance Levels	
S1	S2	R1	R2
925.5	919.6	933.8	939.2



DOMESTIC MARKET COMMENTARY:

MARKET FUNDAMENTALS

Aggressive buying by multinational companies has made wheat dearer further today by Rs.15-25/qlt at most of the centre. Their purchasing of wheat is still going on at a brisk pace. Wheat dara mill quality hovered up by Rs.15-20/qlt to Rs.850-855/qlt with totalled arrival of 14000-16000 bags today at the Lawrence road in Delhi. The average arrival is witnessed weak in this state at around 1-lakh bags. In Madhya Pradesh, the farmers are getting good remunerative prices for their produce from the big companies as they are offering higher rate than the MSP of wheat with Rs.50/qlt as bonus. Multinational companies' (MNCs) aggressive buying has made wheat in the region dearer by as high as Rs.900/qlt. Representatives of Cargill India, ITC, Hindustan Levers Limited, AgroTech Foods, Australian Wheat Board and Adani Exports etc are more active into State mandis with attractive offers to farmers. The poor procurement policy of the government and lower stock are also pushing prices to climb. The government did not declare still now about the wheat import duty after the reduction. Pakistani traders are keeping watchful eyes on government's green signal to export wheat to India this year from the country's surplus stocks.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	5.05.06	6.05.06
Delhi (Lawrence Road)	835-840	850-855
Haryana (Karnal)	830-835	835-840
Punjab (Khanna)	825-830	827-832
Punjab (Sunam)	710-715	710-715
Ludhiana (Jagraon)	710-720	720-725
Ahmedabad	920-925	920-925
Rajkot	860-870	860-870
Rajasthan (Kota)	940-945	950-955
Uttar Pradesh (Kanpur)	885-890	885-890
Uttar Pradesh (Bareilly)	823-827	840-845
Maharashtra (Jalgaon)	955-960	960-970
Madhya Pradesh (Indore)	910-920	920-930
Madhya Pradesh (Bhopal)	850-860	865-875

SALIENT FEATURES OF THE MARKET:

1. Govt.'s Procurement Stagnant to 20 Mt in M.P
2. India: Wheat Import Likely to Hit 5.5 MMT in FY 2007
3. Wheat: Brisk Buying by MNCs in M.P.
4. Haryana received around 29 lakh tonnes of Wheat till now
5. Pakistan Eyeing on Export Wheat to India
6. Cargill, Adani, ITC etc. most active in Punjab, MP, Rajasthan etc. region
7. Govt to Float Tender for 3 Mt of Wheat Within a Week
8. Wheat: US Export Sales Remaining Strong

RATES OF WHEAT PRODUCTS IN DELHI

(In Rs.)

Wheat Products	5.05.06	6.05.06
Atta (90kg)	861	866
Maida Grade 1 (90kg)	1035	1040
Suji (50kg)	570	573
Chokar (50 kg)	301	308
Chokar (35 kg)	185	188
Chakki Atta (90kg)	785	810

WEATHER OUTLOOK:

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

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 6th May, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.88
1 Euro	56.94
100 Yen	39.47
1 British £	83.07

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