

## WHEAT

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

### MAJOR ACTIVITY HIGHLIGHTS

- Wheat Prices Decreased at the Delhi Spot Market
- World Wheat Production Forecast to Decrease Slightly in 2006

### TECHNICAL ANALYSIS

**Exchange:** NCDEX

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

**Contract:** JUNE (Futures)

NCDEX Wheat futures traded range bound following very weak opening amidst weak spot prices in Delhi and selling pressure. The futures market fell down at early hour but it recovered after that. The June contract closed marginally down by Rs.1.60 to Rs.922.20 following weak opening of Rs.918.00 and traded within the range of Rs.914.00-924.60 today.

**Price Change:** June Contract

Contracts	Closing	Previous	Change
June	922.20	923.80	-1.60

**Indicators:** Most of the indicators are hinting to strong sentiment while MACD hinting to medium term steady ness. Volume and open interest has increased today.

**Outlook:** Wheat futures are likely to remain firm following steady to weak opening in the coming day.

**Advice:** **Buy** near 917.5, **Target** towards 925.5 next 928.5, and **Stop Loss** at 913.5.

### DOMESTIC MARKET COMMENTARY:

#### MARKET FUNDAMENTALS

After witnessing persistent rise, wheat prices started falling on the wholesale grains market in Delhi during the period largely on increased selling by stockists after government decided to import the commodity and lost some ground. Therefore the prices declined by around Rs.25-30/qlt in Delhi today amidst weak demand from private buyers coupled with strong arrival of 25000-27000 bags from Haryana at the Lawrence road. But the sentiments in other market like Punjab, U.P., Rajasthan and Gujarat remained mostly positive on strong buying support from private buyers with weak arrival. The farmers are hoarding the stocks in these states as expectation of price increase in later month. The demand from South India also witnessing good for these states as government did not sell wheat in this region. Therefore the racks are loading from Rajasthan, U.P. and Haryana. On the other hand, according to the FAO (Food and Agriculture Organization), the world wheat production is likely to decline slightly in India, U.S, Russia and Ukraine. Therefore the world wheat prices is likely to increase in this year and it is not a good news for India as the country is likely to import more wheat in this current year.

### Support and Resistance Levels: JUNE Contracts

Support Levels		Resistance Levels	
S1	S2	R1	R2
914.06	908.30	930.00	934.00



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

Markets	6.05.06	8.05.06
Delhi (Lawrence Road)	850-855	830-835
Haryana (Karnal)	835-840	835-840
Punjab (Khanna)	827-832	837-872
Punjab (Sunam)	710-715	725-730
Ludhiana (Jagraon)	720-725	735-740
Ahmedabad	920-925	925-930
Rajkot	860-870	865-875
Rajasthan (Kota)	950-955	965-970
Uttar Pradesh (Kanpur)	885-890	880-885
Uttar Pradesh (Bareilly)	840-845	845-850
Maharashtra (Jalgaon)	960-970	965-975
Madhya Pradesh (Indore)	920-930	950-975
Madhya Pradesh (Bhopal)	865-875	860-900

### **SALIENT FEATURES OF THE MARKET:**

1. Reduced buying activity by the buyers in Delhi
2. India: Wheat Import Likely to Hit 5.5 MMT in FY 2007
3. Government's procurement down by 4.5 MMT as of last year same period
4. Pakistan Eyeing on Export Wheat to India
5. Strong activity by Cargill, Adani, ITC etc. in Punjab, MP, Rajasthan etc. region
6. Govt to Float Tender for 3 Mt of Wheat Within a Week
7. World Wheat Production Forecast to Decrease Slightly in 2006

### **RATES OF WHEAT PRODUCTS IN DELHI**

(In Rs.)

Wheat Products	6.05.06	8.05.06
Atta (90kg)	866	866
Maida Grade 1 (90kg)	1040	1040
Suji (50kg)	573	573
Chokar (50 kg)	308	308
Chokar (35 kg)	188	188
Chakki Atta (90kg)	810	810

### **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:**

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 8<sup>th</sup> 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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