

WHEAT

6th MAY, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Wheat Prices Spiraling at the Spot Market
- Govt to Float Tender for 3 Mt of Wheat Within a Week

TECHNICAL ANALYSIS

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: JUNE (Futures)

NCDEX Wheat futures fell down at late hour today on profit booking at higher level and news of govt. is likely to float a tender of wheat import within a week. The prices remained firm at the opening on strong spot prices but fell down at the end of the session on profit booking. The June contract slipped by Rs.7.20 to Rs.913.00 following firm opening of Rs.921 and traded within the range of Rs.913-925 today.

Price Change: June Contract

Contracts	Closing	Previous	Change
June	913.00	920.20	-7.20

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

Outlook: The wheat futures are anticipated to trade slight bearish following weak opening in the coming day.

Advice: Sell near 915.5, **Target** towards 906.5 next 903.5, and **Stop Loss** at 920.0.

Support and Resistance Levels: JUNE Contracts

Support Levels		Resistance Levels	
S1	S2	R1	R2
903.8	897.5	914.3	921.5



DOMESTIC MARKET COMMENTARY:

MARKET FUNDAMENTALS

Sentiment is remaining almost firm at the domestic spot market due to building stocks by the stockists, big farmers as well as private companies; therefore the arrival is decreasing day by day. Wheat prices have jumped by Rs.10-30/qlt at most of the pockets. Wheat dara mill quality has increased by Rs.10/qlt to Rs.835-840/qlt at the Lawrence road in Delhi today with totalled arrival of 10000-12000 bags. The private buyers are offering much more rate than that of government's MSP of Rs.650/qlt with Rs.50/qlt as bonus. But most of the farmers are not willing to sell wheat to the government and they are also hoarding the stocks as speculation of increase in prices in near future. Government is likely to float tender of another 3 million tonnes of wheat within a week, which is likely to curb down the spot prices, according to the official. But the traders are expecting that the prices will continue this trend until the government announces the actual import duty will be imposed on wheat import. The government did not release the wheat at the South Indian market therefore the demand from this states are also rising. The wheat is supplying to this region from Rajasthan, Uttar Pradesh and Haryana.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	4.05.06	5.05.06
Delhi (Lawrence Road)	825-830	835-840
Haryana (Karnal)	820-825	830-835
Punjab (Khanna)	823-827	825-830
Punjab (Sunam)	690-700	710-715
Ludhiana (Jagraon)	710-715	710-720
Ahmedabad	905-910	920-925
Rajkot	835-840	860-870
Rajasthan (Kota)	920-925	940-945
Uttar Pradesh (Kanpur)	865-870	885-890
Uttar Pradesh (Bareilly)	815-820	823-827
Maharashtra (Jalgaon)	940-950	955-960
Madhya Pradesh (Indore)	900-915	910-920
Madhya Pradesh (Bhopal)	840-850	850-860

SALIENT FEATURES OF THE MARKET:

1. Govt.'s Procurement Stagnant to 20 Mt in M.P
2. Wheat Prices Remains Marginally Up in South India
3. USDA Raised Wheat Import by India to 4.5 MMT
4. Haryana received around 29 lakh tonnes of Wheat
5. U.P.: Now Barter System for Wheat Procurement
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. Private Buyers Purchased Over 3 MMT of Wheat till now

RATES OF WHEAT PRODUCTS IN DELHI

(In Rs.)

Wheat Products	4.05.06	5.05.06
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 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 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 5th 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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