

MARKET FUNDAMENTALS

Steady to weak market:

Wheat market remained under extreme pressure on back of increasing activities of harvesting, higher arrival from new crop and expectation of record crop this year supported by favourable weather during the period under review. New arrivals from Punjab, Haryana, U.P., Rajasthan and Bihar are expected to exert more pressure in weeks ahead. Higher yield supported by increased area is supportive for higher output. There is no major damage report from any producing regions.

Major portion (almost 75 %) of harvesting in Gujarat and M.P. has completed now and it just commenced in Rajasthan, U.P. and Bihar. Harvesting is expected to commence in the first week of April in Punjab and Haryana. Supply from new crop will pick up in a week across central, peninsular and north India. March closing is affecting normal trading activities and it is likely to pick up once again in the second week of April. In anticipation of new arrivals and a fall in prices, there is no demand in the market. Millers are currently consuming the old stock.

Sharp gain in yield could be seen from Punjab, Haryana in northern region as also in Karnataka in southern region. Sudden upswing in yield from these states primarily attributed to the regaining in yield compared with 2009-10 when yield taken a toll owing to unfavourable weather and virtual absence of winter rains since from the beginning of the season. Better agricultural practices and favourable weather conditions for 2010-11 shall result in the expected increase in average yield from 2830 to 2872 kg/per ha. Harvesting begins now in states like Gujarat, Maharashtra and MP while it will only start in the second week of April in the other major centres with an expectation of crop delay by nearly one week in Punjab and Haryana.

Bonus for wheat in M.P

The State Government with purchasing of wheat in huge quantity at minimum supporting price and providing the farmers with an assistant bonus of Rs 100 per quintal has set a new dimension and identity in whole of the country. Now, again this year, the state government is all set to procure wheat from the farmers. The State Government is going to lift 35 lakh metric tonne of wheat and will give Rs 100 per quintal bonus to the farmers.

District level administrative committees have been constituted to keep watch on the whole process of procurement. The Committees have also been entrusted to take decisions to ensure smooth procurement and settle various disputes related to it in their respective areas. Procurement is smooth.

Above normal sowing:

India's wheat planting until Feb. 4 rose 3% from a year earlier to a record, brightening prospects of a bumper crop. The wheat sowing area increased to 29.44 million hectares from 28.32 million hectares. India, aims to produce 83.69 million tons of wheat in 2010-11, up 1.8% from the previous year, subject to favourable weather till harvest in April 2011.

Govt. procurement to swell:

While government procurement will continue to swell, problem of plenty will further aggravate storage woes. The main challenge before procuring agency is to manage crunch of storage space. Rain in November led to improved ground water level and better storage position in reservoirs. This, apparently, has led to farmers going in for higher coverage of wheat. Some area shift from cotton and cumin to wheat has helped to improve area.

Buffer stock requirements:

Buffer stocks of food grains in the Central Pool are required for (i) feeding the Targeted Public Distribution System, (ii) catering to the requirements of other welfare schemes of the Government, (iii) maintaining a minimum food security reserve for emergencies, and (iv) undertaking price stabilization or market intervention operations. As per the existing buffer stockings norms, minimum stocks of foodgrains to be maintained in the Central Pool on 1st day of each quarter in a year are as follows:

MINIMUM BUFFER NORMS			
	Wheat	Rice	(In lakh tons)
1 st April	70	142	212
1 st July	201	118	319
1 st October	140	72	212
1 st January	112	138	250

Uptrend unlikely:

Export decision is still pending despite huge stock and bumper crop. Govt. may allow export in limited way to get rid of stock burden. If export is allowed with limit prices will remain under control. Higher arrival will keep market down at least for two months. Export, parity and prices in the international market will be major driving force for dictating direction for wheat.

Maximum Stock In Govt. Custody:

Maximum stocks are under govt.'s custody and its release mechanism and export policy may directly impact the market sentiment. The government's holding on 1st March was 17.1 MMT as against the buffer norm of 11.2 MMT. New season is likely to begin with huge stock of almost 16 million tonnes with bumper production expectation once again. This will create handling and storing problem and it is high time to be ready for upcoming challenge.

Costing on purchasing wheat for traders and millers in Punjab and Haryana

Tax for flour millers		Tax for traders	
Commission	2.5 %	Market fee	2 %
Vat	4.0%	PRD	2 %
Labour(wages)	Rs 5 per qtl.	Commission	2.5 %
		Vat	4.0 %
		Infrastructure Tax	3 %
		Labour	Rs 5 per qtl.
Total	6.5 % +Rs 5 per Qtl.	Total	13.5 % + Rs 5 per qtl.

This type of differences is keeping traders away from purchasing and govt should provide level playing field for everyone and it will help govt. in containing stock in Punjab and Haryana.

Total storage space:

There are three agencies in the public sector which are engaged in building large scale storage/warehousing capacity namely, Food Corporation of India (FCI), Central Warehousing Corporation (CWC) and 17 State Warehousing Corporations (SWCs). Over a period of time sizeable scientific storage/warehousing capacity has been developed by these Public Sector agencies and they are implementing plans to increase it further. However, storage space crunch is still intact given the higher expected procurement this year. Punjab has storing capacity of 137.68 lakh tons of foodgrains including CWC and SWC. Just the same way Haryana has collective storage capacity is 46.6 lakh tons, Rajasthan has 27.81 lakh tons and U.P. has 70.83 lakh tons. Total capacity at all India level is 603 lakh tonnes.

Production target up:

Wheat production will touch a record 82.3 million tons in the current rabi season despite some damage to the crop due to

unprecedented rains this year. Higher yield and increased area in Rajasthan, Gujarat, Haryana and Punjab may boost overall production of wheat in normal weather condition ahead. India had produced a record 80.71 million tons of wheat in the 2009–10 crop year. Wheat is a rabi crop, for which sowing starts in November and harvesting commences in March. It accounts for nearly 71 per cent of the total food grains production in the country. However, temperature in next three-four week will be crucial for yield and final production figure.

Excellent crop condition in Rajasthan

Wheat area in Rajasthan has gone up with increasing interest of farmers in wheat sowing. Wheat farmers have been engaged in extended sowing as the acreage crosses the targeted 25 lakh hectares. Experts expect the area to go up to 26.5 lakh. If the condition remains favorable as it is now, the production is likely to touch 85 lakh ton.

Punjab and Haryana :major contributor to the central pool

The total wheat production of Haryana and Punjab may reach 268 lakh metric tonnes in 2010-11, compared to 256 lakh MT of the previous year. It is expected that while the production may go up from 151.69 lakh MT last year to 154 lakh MT in 2011 in Punjab, Haryana may see its yield go up from 105 lakh MT in 2010 to 114.6 lakh MT this year.

Both Haryana and Punjab received better than normal winter rains this year. The weather also remained cooler than that of last year. Extreme cold conditions and winter rains are good for the Rabi crop, especially wheat and vegetables.

Centre may hike APL grain price:

With the food subsidy bill expected to rise by around 18% over the 2010-11 Budget estimate of nearly Rs 68,000 crore because of increase in procurement and allocations prices, the government is believed to have decided to hike the central issue price (CIP) of foodgrain supplied to above poverty line (APL) families through the public distribution system. CIP is the price at which the central government supplies foodgrains to states and union territories for supplying under the public distribution system, through a network of more than 5.02 lakh fair price shops spread across the country. Sources said the CIP for wheat and rice could be raised by around 40% each. At present, almost 13.26 crore APL ration card holders get wheat at around Rs 6.10 per kilogram and rice at around Rs 8.30 per kg.

Global Warming: No Major Impact On Indian Wheat:

Although no major impact has been observed on wheat production due to global warming in India in the recent past, the government has taken preventive steps to safeguard the principal crop from rising temperature. Research findings of ICAR (Indian Council for Agricultural Research) on wheat crop has indicated that there is about 3 to 4 per cent decrease

in grain yield with 1 degree celsius rise in temperature during grain filling stage. Out of 28 million hectare area under wheat in India, about 9 million hectare in North Eastern plain zone, Central zone and peninsular zone is prone to terminal heat stress. Studies have revealed that the mean annual surface air temperature over India has risen by 0.56 degree celsius during 1901-2009, which is above normal since 1990 over a base period of 1961-1990. Although no adverse affect of global warming has been noticed on wheat in India so far, the government has taken some timely precautionary steps. Heat tolerant varieties like DBW 14, DBW 16, Raj 3765, Lok 1, GW 322 etc. have been popularised on larger scale under schemes like National Food Security Mission-wheat and Integrated Cereals Development Programme in Wheat.

Curbs on export of rice, wheat likely to stay:

India is unlikely to lift curbs on export of wheat, rice in short term notwithstanding high buffer stocks. Government officials are of the view that these stocks would not be enough to meet domestic demand as the government proposes to enact a universal food security law. People think that our current grains reserve, pegged at 50 million ton, is quite high. Contrary to the belief, much higher stocks will be required in coming days when the government implements the National Food Security Bill.

Import status:

As per flour millers association Indian mills had imported about 158,000 tonnes wheat from Australia and Black Sea region countries in last fiscal year. During 2010-11, imports are unlikely to touch 200,000 tonnes as southern mills preferred to source the foodgrains abroad at lower than domestic cost of procurement. Imports had slowed since last three months as Russia and Black Sea region countries like Ukraine, Russia and Romania banned wheat exports owing to drought and adverse weather conditions leading to lower output. This also led to sharp spike in global wheat rates. Currently, India allows zero-duty import of wheat after having scrapped the five per cent impost four years back. Import option on zero duty is likely to continue. However, import is unlikely due higher prices in the international market. Overseas wheat market has touched 23 months high last week and prices may stay at higher level in medium and long term.

Proposed GST regime will encourage prices of foodgrains:

Prices of food grains, especially wheat and rice, may go up in the proposed Goods and Services Tax (GST) regime. At present, about half the states do not levy Value Added Tax (VAT) on wheat and rice, though they are allowed to tax these food grains at 4 per cent. In GST, these items may be taxed at 12 per cent at the concessional rate or 20 per cent at the standard rate, unless the Union and state governments decide to exempt these. Currently, there is no proposal to exempt

these grains from GST.. Even if the government decides to tax wheat and rice at the lower rate of 12 per cent, consumers will end up paying more than the current rate. Food grains will become cheaper only if these are exempted from GST.

Apart from VAT, various "statutory charges" are levied on food grains by local governments in the existing regime. While the 4 per cent purchase tax, levied in Haryana, Punjab and Uttar Pradesh, will be subsumed in GST, other charges like rural development fee, market fee (mandi tax), infrastructure development tax and commission to societies and sub-agents may continue in the new regime.

Impact of taxing food grains in GST:

There was no proposal to subsume local taxes on foodgrain, except purchase tax, in GST. Since these are not part of the chain, these will be levied along with GST. The Centre and states might have to exempt the grains from GST because taxing them at such higher rates would be detrimental in a country like India. In the existing set-up, total tax on rice and wheat is highest in Punjab at 13.5 per cent, followed by Andhra Pradesh (12.5 per cent on rice) and Haryana (10.5 per cent). In the GST regime, tax on food grains is Punjab could go up to 21.5 per cent if the 4 per cent VAT/purchase tax is replaced by 12 per cent GST. Other levies add up to 9.5 per cent in the state. In states like West Bengal, Bihar and Gujarat, the tax is only 3 per cent and it mainly comprises other levies which will not be subsumed in GST. Kerala has exempted rice from tax but charges a market fee of 7 per cent. Impact of taxing food grains in GST will have maximum impact on such zero-VAT states.

OUTLOOK:

Short Term (One fortnight):

Wheat is likely to trade in the range of Rs 1100 to Rs1150 in this fortnight and would be under pressure on back of huge stock, expected higher supply and bumper crop amid favourable weather. Prices of wheat slipped from higher level at the end of last week on better prospects of higher production, congenial weather supported by increased area in major growing regions in next two weeks. Supply is expected to increase in weeks ahead. Prices are likely to go down due to mounting pressure of selling from federal govt.'s stock and prospects of record production. This year even Gujarat and Rajasthan, besides Punjab and Haryana, are going to contribute more wheat for central pool, given the normal weather condition and higher area coverage.

Wheat SPOT Market (Prices In RS/QUINTAL)

Markets	08.03.11	28.03.11
Delhi (Lawrence Road) truck loaded ready delivery	1215	1200
Punjab Khanna	1190	1130
Rajasthan (Kota) Loose	1220-1225	1080-1085
Uttar Pradesh (Kanpur) Loose	1290-1295	1205

Madhya Pradesh (Indore) Loose	1280-1285	1175-1200
Ludhiana (Jagraon) Loose	1225-1230	1175
Rajkot Loose	1150-1200	1160
Madhya Pradesh (Bhopal) Loose	1150-1200	1150-1175

SPOT MARKET PRICE FOR WHEAT PRODUCTS:

Wheat Products	08.03.11	28.03.11
Atta (50kg)	715	680
Maida Grade 1(90kg)	1605	1655
Suji (50kg)	915	920
Chokar (50 kg)	496	480
Chokar (34 kg)	332	310
Chakki Atta (50kg)	725	725

Following was the status in other markets, with active millers and private trade buying: (as on 28.03.2011)

Place	Arrivals	Price (Rs/Qtl)
Mathura	500	1125-1230
Kosi	250	1160-1170
Najafgarh	300	1260-1265
Sirsa	30	1130
Narella	500	1150

INTERNATIONAL NEWS & ANALYSIS:

France raised its forecast for the 2010-11 ending stocks:

Noting high imports of grain and farmers inventory movements, the French government agency for agriculture and fisheries, France AgriMer raised its forecast for the 2010-11 ending stocks for the country's soft wheat, despite a surge in exports and stable production. As of early February, the agency has raised the ending stocks total for this key cash crop to 2.21 million metric tons from a 20-year low estimate of 1.96 million metric tons a month earlier, a gain of 12.8%. Also, Europe's top wheat producer expects to ship a record 12.1 million metric tons outside the European Union in .

China Drought Could Boost Wheat Imports To 4 Million Tons

Fearful that severe drought could slash the country's wheat harvest, China's grain importers are already testing international market waters. World wheat markets climbed to their highest point in almost three years this month after the United Nations issued a rare alert warning that China's crop faces a "serious problem" from ongoing drought. The Asian giant could import up to four million metric tons of wheat this season if the drought is as bad as people fear. Importers are exploring options, he said, adding: "The next 3-4 weeks are going to be the critical period to see how they react to the crisis. Everyone's expecting a 3%-5% price rise by the end of 2011 but it could be significantly higher if China comes into the market.

As of Feb. 10, 6.75 million hectares of China's key winter-wheat producing regions had been hit by drought, the Office of State Flood Control and Drought Relief Headquarters said. The government has allocated \$1 billion to boost emergency water supply and irrigation resources. But, with Shandong Province, a cornerstone of Chinese grain production, facing its worst drought in 200 years, many are worried this will not be enough.

Wheat Futures Slip As Global Demand Eases

Due to higher prices global demand of wheat is easing and it is reflecting in CBOT future. Buyers are watchful and they are keeping close eye on weather development. Area has increased despite rough weather and China ,India have enough stock to meet demand even in the worst case and some damage to the standing crop. Soft red winter wheat for March delivery fell 3.6% to \$8.4025 a bushel at the Chicago Board of Trade. Global wheat demand could be slowing since prices reached 2½-year highs last week on increased export business from North African and Middle Eastern countries.

IGC increases wheat production estimate:

International Grains Council has increased its estimate for global wheat production by 23 million tons next season. In its latest report, the influential intergovernmental group mainly attributed better Russian weather for the newly projected target of 670 million tones. The figure represents an improvement of 3.6% year on year, although leaves production short of the record 683m ton set three years ago, and reflected a rise in area greater than the 2% forecast last month, with farmers expected to stretch even further to exploit soaring grain markets.

The global wheat area is projected to rise by about 3%, boosted by higher prices and a return to more normal abandonment rates, especially in Russia," the IGC said, adding that the outlook for northern hemisphere grains crops "generally appears favourable at this early stage". Russia's grains output fell by nearly 40% last year, dented by the worst drought on record

Argentina wheat output seen 12.7 mln

Argentina's 2010/11 wheat output should reach 12.7 million ton, the Buenos Aires Grains Exchange said in a report, raising its previous forecast of 12.1 million ton.

Russia seen keeping wheat export ban till late 2011

Russia's ban on wheat exports, imposed after drought ravaged crops, could very well be extended until the end of 2011 if mounting worries about the next crop are confirmed, exporters,. Moscow said in August it would suspend all grain exports until the end of the year and officials have hinted the ban was likely to be extended until the end of the 2010/11 season on July 1.

They expressed a widespread feeling the market had to be ready to do without grains from the world's former No. 3 wheat exporter for even longer, possibly until the end of the 2011 calendar year."Since they are sown on dry land the plants will be more fragile than usual, and on top of that the area (of winter wheat) is smaller, so lower crop is expected and it will reduce the exporting surplus in the local market.

Therefore seeing something (in exports) out of Russia before 2012 seems unlikely. Russian brokers and traders agreed the jury was still out on whether Russia would produce enough wheat to convince the government to lift the ban next summer. The country would need to harvest at least 80 million ton of grains next year to cover domestic needs, compared with 2010 grain output of 60.5 million.

Global cereal production likely to increase-FAO:

The global cereal production for 2010-11 is expected to be 2,239 million tonnes compared to 2, 261 million tonnes recorded in 2009-10, about 1 per cent lower than last year. Reduced output of wheat in the CIS (Commonwealth of Independent States) countries due to drought, as well as smaller crops in the European Union and North Africa, account for the decline. Even so, at the current level, the 2010 cereal production, coupled with large carryover stocks, "should be adequate to cover the projected world cereal utilisation in 2010-11," says the Food and Agriculture Organisation (FAO) in its latest projections based on crop estimates towards the end of September. The projected global cereal utilisation for 2010-11 is 2 248 million tonnes.

While global wheat and coarse grain production is expected to be lower than in 2009, rice output is likely to be higher by 3 per cent, which is said to be a record. In Asia, record cereal crops are anticipated in China and India, the FAO says. However, devastating floods damaged rice crops in Pakistan, while dry weather is adversely affecting prospects in Cambodia, and Lao People's Democratic Republic. In Latin America and the Caribbean, a recovery in production from last year's reduced level is anticipated. The U.N. agency indicated that international prices of grain surged since the beginning of July in response to drought-reduced crops in

the CIS exporting countries and a subsequent decision by the Russian Federation to ban exports. In September, wheat prices were 60 to 80 per cent higher than at the beginning of the season in July. However, prices are still one-third below their peaks in 2008. In the same period, the price of maize increased by about 40 per cent, while that of rice by only 7 per cent..

Consumption:

Global wheat consumption was revised up by 4 million tonnes to 658 million tonnes compared with its May estimate, resulting in a global surplus of 6 million tonnes, excluding carry-over stocks. The growth in consumption is largely expected to be fuelled by demand in Asia, the council said, where growing meat consumption is expected to boost demand for feed grains, including wheat, to a record 775 million tons.

Australia 2010-11 Wheat Crop Forecast Raised To 23.8MMT

National Australia Bank Ltd. upgraded its wheat production forecast for this crop year to 23.8 million metric tonnes, but said it couldn't go as high as the mid-September forecast of 25.1 million tonnes by the government's Australian Bureau of Agricultural and Resource Economics. The latest forecast by the bank, a major agricultural lender, represents an upward revision by 700,000 tons from last week and 1.4 million tons since August, and is up 2.1 million tons on actual output of 21.7 million tons in the last crop year ended March 31, 2010. "While a crop of 25.1 million tons certainly is possible, at this stage we feel it is too early to call such a large crop Western Australia, which usually accounts for 40% of national wheat output, could also face further downward revisions depending on weather conditions, NAB reported. Higher national wheat harvest estimates have improved export prospects, with the bank forecasting last week exports from the new crop could swell to 17 million tons, compared with 15 million tons from the previous crop, maintaining Australia's position as a major supplier to the global trade.

Argentina Wheat Output Revised Up

Argentina's production of wheat is sharply higher than a year .wheat output is estimated to jump to 15 million tons from 8.5 million tons because of exceptionally high yields in some regions. Wheat is harvested in October and November.

wheat output is estimated to jump to 15 million tons from 8.5 million tons because of exceptionally high yields in some regions. Wheat is harvested in October and November some regions the wheat yields almost doubled to 7 tons a hectare from 3.5-4.0 tons. Last year the wheat crop was affected by drought in some areas. However, the protein content in wheat is lower this year

by 1.0-1.5 percentage points at 11.0%-11.5%. Argentina's wheat exports are likely to almost double to around 9 million-10 million tons this year and some of the low-protein grades may be shipped to Asian countries such as Bangladesh

Canadian Wheat Board Outlooks For 2010-11:

The Canadian Wheat Board has both raised and lowered its price projections for wheat that will be delivered by western Canadian producers during the 2010-11 crop year. The 2010-11 crop year begins Aug. 1. Depending on the grade and class of wheat, values were raised by C\$6 a metric ton from the May projection while some grades of wheat were lowered by C\$1 a ton. "Obviously, if we look out our back door we see excessive moisture across large swaths of the western Canadian growing region with as much as one-fifth of total acreage unplanted in its outlook. Many more acres have been inundated with moisture, and without drier weather there will be reductions in yield and quality. However, the CWB said many of the fundamentals in the global wheat market remain tilted toward the bearish side of the equation. It said the world remains deep in wheat, although somewhat challenged in terms of protein supplies.

World wheat production for 2010/11 is projected to decline this month 7.5 million tons following an 11.5-million-ton projected drop in foreign production that more than offsets a 4.0-million-ton increase in U.S. wheat output. FSU-12 is dominant in this decline, as wheat production in this region is projected down 7.5 million tons- 4.5 million tons for Russia and 3.0 million tons for Kazakhstan due to drought like conditions in the two countries' spring wheat belts. Canadian wheat production is cut by 4.0 million tons to 20.5 million this month, which is 236 percent lower than Canada's 2009 wheat output.

World wheat consumption Up One Percent:

World wheat consumption is forecast to increase by 1 per cent to 652 million tonnes in 2010-11, but nevertheless remain below forecast world production. This increase is largely driven by higher food use. Feed use is expected to remain largely unchanged, while the use of wheat in ethanol production is expected to increase. The use of wheat for human consumption is forecast to increase by 1 per cent, to around 457 million tonnes, in line with world population growth. Lower forecast wheat prices are not expected to have any

significant influence on per person food consumption of wheat. Feed consumption is forecast to remain largely unchanged at around 104 million tonnes in 2010-11.

Global wheat supply:

Global wheat supplies for 2010/11 are reduced with world production projected 7.5 million tons lower as smaller crops in FSU-12, Canada, EU-27, India, and Turkey more than offset higher production in the United States and China. Production for Canada is lowered 4 million tons as persistent June rains limited seeding in the Western Prairies. Production is lowered 4.5 million tons and 3.0 million tons, respectively, for Russia and Kazakhstan as continued drought and high temperatures reduce yield prospects for spring wheat. EU-27 production is lowered 1.1 million tons reflecting early indications of lower-than-expected yields in northern Europe. India production is lowered 1.0 million tons on indications that heat during late grain fill reduced yields.

Production is lowered 0.5 million tons for Turkey as early harvest results indicate disease has reduced expected yields. Production is raised 2.5 million tons for China where favorable June weather boosted harvested area and yields. World wheat imports and exports are nearly unchanged for 2010/11, but substantial shifts are projected among the major exporting countries.

Exports are reduced for Canada, Russia, Kazakhstan, and Turkey with lower production. Exports are raised for the United States, Australia, EU-27, and Ukraine. Global wheat consumption declines slightly with lower expected feeding in Canada, EU-27, Ukraine, and the United States mostly offset by increases for Russia and China. Global ending stocks are projected 6.9 million tons lower.

PRICE BEHAVIOUR

Prices are likely to trade in the range of Rs 1100 to Rs 1150 in April, 11 contracts with steady to weak bias in near term. New arrivals in many states and bumper crop prospects will keep market under pressure in weeks ahead. Increased area has heightened the hope for bumper crop production once again, given the favourable weather so far.

Arrival pressure will keep market down in weeks ahead and harvesting in key growing areas like Punjab, Haryana, Rajasthan, U.P., Bihar is expected soon. Prices may come below MSP with arrival pressure. Major driving forces for price behavior are export decision, release mechanism and govt policy.

EXCHANGE RATE (SOURCE: RBI)

Foreign Currency	March 28,2011 Rs. per unit	March 09,2011 Rs. per unit
1 US \$	44.78	45.02
1 British £	73.63	72.70
1 Euro	62.96	62.54
100 Yen	55.45	54.31

TRADE RECOMENDATION (Medium Term)

Contract	Call	Entry	T1	T2	SL
NCDEX, May	Sell	<1155	1130	1115	1161

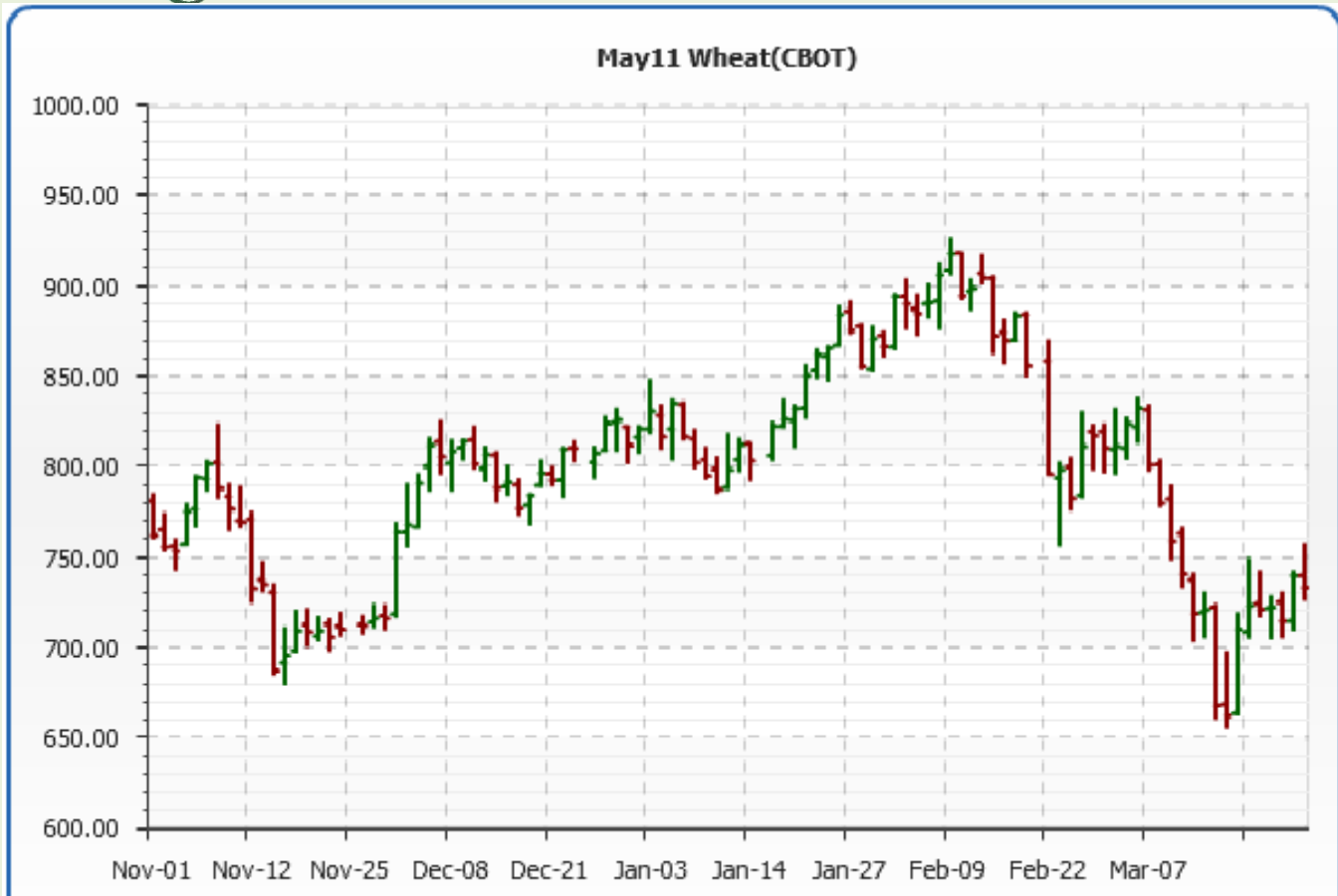
SUPPORT & RESISTANCE

S2	S1	PCP	R1	R2
1100	1120	1152	1156	1165

NCDEX WHEAT (CONTRACT: May,11):

Candle stick chart shows Seller's support in the future market. Wheat may trade range bound in the price band of Rs 1100 to Rs1150.If it breeches the resistance level Of Rs 1155, it may go up to a little extent Fundamental is not very supportive to the wheat market so far. .Market indicators also show bearish outlook. Players should go for short at higher level





CBOT Wheat Futures (Soft Red Winter):

Futures Month	% Change Over Previous Month	Today (25.03.11)	WeekAgo (14.03.11)	MonthAgo (22.02.11)
Mar'11 (\$/MT)	-7.85	269.40	264.80	292.36
Mar'11 (INR/MT)	-7.85	12050.09	11844.66	13077.20
May'11 (\$/MT)	-13.96	282.44	307.33	328.27
May'11 (INR/MT)	-13.96	12633.49	13746.88	14683.60
July'11 (\$/MT)	-11.13	296.31	312.84	333.42
July'11 (INR/MT)	-11.13	13253.86	13993.38	14913.68
Sept'11 (\$/MT)	-9.60	306.23	319.27	338.74
Sept'11 (INR/MT)	-9.60	13697.57	14280.97	15151.97

Note:1 Bushel=27.216kg.

PROGRESS OF PROCUREMENT AS ON 26.09.10

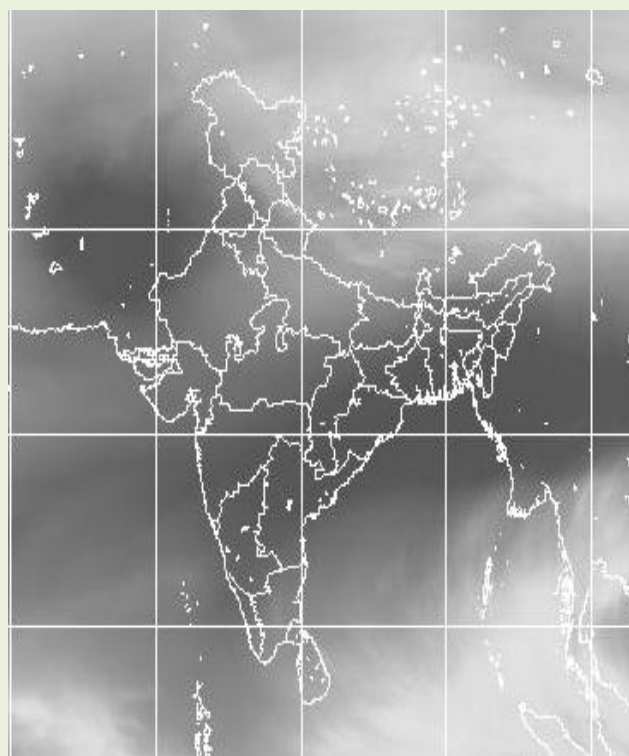
	State	2010-11	2009-10	2008-09
1	Punjab	101.80	107.47	99.39
2	Haryana	63.35	69.12	52.31
3	Uttar Pradesh	16.42	38.82	31.23
4	Madhya	35.77	19.56	23.37
5	Rajasthan	4.73	11.52	9.35
6	Gujarat	2.30	---	---
7.	All India	225.80	252.92	225.44

Weather Update

♦ Isolated light rain/snowfall has occurred over Jammu & Kashmir and Himachal Pradesh. Isolated rainfall has occurred over Haryana, north Rajasthan, Sikkim, Assam and Arunachal Pradesh. Mainly dry weather prevailed over rest of the country. 1 cm of rainfall has been recorded at north Lakhimpur at 0830 hours IST of today.

♦ Minimum temperatures were below normal by 2-3°C over isolated pockets of central, east and south peninsular India and above normal by 2-3°C over some parts of Maharashtra and isolated pockets of north Rajasthan, Uttar Pradesh, Bihar, west Madhya Pradesh, Assam and Gujarat. They were near normal over rest parts of the country. The lowest minimum temperature of 8.6°C was recorded at Adampur (Punjab) in plains of the country.

♦ Kalpana-1 cloud imagery at 1430 hours IST shows convective clouds over parts of east Jammu & Kashmir, southeast Bay of Bengal and Andaman Sea. Low/medium clouds are seen over parts of rest northwest, east, northeast and extreme south peninsular India



Weather Warnings

Nil

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