

Price Drivers

- Wheat production over 84 MMT expected,Harvesting picks up in Punjab and Haryana
- Likely bonus for wheat farmers over and above MSP,Prices is expected to be stabilized in case of bonus above MSP
- Huge carry in stock, lower demand ,export likely, decision is expected at First week of May
- Procurement target increased to 26.3MMT.
- Export disparity from major growing states will go up with bonus
- IGC revised wheat production estimates up,

Analysis: Technical

- Candlestick formation shows buyers support in the future market with firm bias likely to continue.
- RSI is moving up in positive zone indicating firmness in the market.
- Increased volume too is supportive for uptrend for short term.
- Wheat is likely to trade range bound with firm bias in next trading session
- Players are advised to buy at lower level.

Trade Recommendation: Wheat NCDEX (May)

Call	Entry	T1	T2	SL
Buy	>1178	1190	1190	1174
Support & Resistance				
S2	S1	PCP	R1	R2
1165	1175	1187	1200	1210



Spot Market Fundamental

- Wheat prices remained almost stable to firm in most cast markets on expected bonus and export possibility. Prices of wheat loose basis are reportedly ruling below MSP in Rajasthan, Bihar and U.P. Arrivals is expected to slow down in many states with hope of bonus declaration in weeks ahead.
- Wheat arrivals picks up in Haryana, Punjab and U.P and govt. procurement pace started getting momentum with higher arrivals.If govt declares bonus export disparity from Punjan,Haryana,Rajasthan and M.P.will further goes up.Besides prices of wheat will remain at higher level throughout the season despite record production and stock.
- The state agriculture department(Punjab) is pegging wheat output at 156 lakh metric tonnes this Rabi season and, weather permitting, it may even touch the 160 lakh tonne mark. The production last year was 151 lakh MT, mainly owing to high temperatures during the grain-setting stage in February-March..
- Slower start of procurement due to delayed harvesting in Punjab and Haryana may get momentum in weeks ahead.This year harvesting got delayed due to rains in maturity phase that delayed the ripening process of the standing crop.
- The procurement ends in June.The government had procured 22.5 million tonnes in the entire 2010–11 marketing year (April–March). FCI expects the procurement to touch 26.2 million tonnes in 2011–12 as output is estimated to be a record 84.27 million tonnes in 2010–11 crop year (July–June)..
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- Punjab is projecting wheat production of 154 lakh tons as against 151.69 lakh tons last season. Haryana has revised its target to achieve wheat output of 115.09 lakh tons in current season, which will be almost 10 per cent higher than wheat production of 105 lakh tons. Area under wheat cultivation in Punjab stood at 35.15 lakh hectares, while in Haryana it is pegged at 24.75 lakh hectares. The wheat sowing area increased to 29.45 million hectares from 28.32 million hectares, the government data showed.
- Global wheat production may rise by 4% to 672 million tons .As for India timing is most crucial given the high price of domestic wheat. While parity at the current levels is achievable, margins will evaporate as the global wheat prices decline and the window of opportunity will vanish. .World wheat production is set to rise by about 4 per cent to 675 million tonnes in 2011-12 . ABARES says the world wheat indicator (US hard red winter, fob Gulf) will fall by 19 per cent in 2011-12 to average out at US\$250 per ton.

Arrival is expected to come down unless bonus is declared. Prices of wheat may go up and may support the inflation.Export may be allowed in a phased way and to lessen the burden of huge crop ahead but increasing disparity will shorten the export room. Traders are in wait and watch mood and will be active after getting clear picture.

Prices at key Market

Centre	Variety	Prices 15.04-11	Chng from Prior Day	Arrivals 15-04-11	Chng from Prior Day
Delhi (Lawrence Road)	Mill Quality (Ready Delivery)	1185	20	14000	7000
Delhi (Narela)	Mill Delivery Loose	1140	unch	3000	2000
Delhi (Nazafgarh)	Mill Delivery Loose	1145	5	2500	1000
Gujarat (Rajkot)	Mill delivery	1160	10	16000	-14000
Gujarat (Ahmadabad)	Mill delivery	1190	unch	1000	-1000
Gujarat (Surat)	Mill delivery	1210	unch	1500	-200
M.P. (Bhopal)	Mill quality loose (Lokwan)	1150	unch	5000	2000
M.P. (Indore)	Mill quality	1190	25	10000	-6000
Rajasthan (Kota)	Mill quality	1100	-10	40000	-10000
U.P. (Kanpur)	Mill delivery	1150	unch	500	300
Punjab (Khanna)	Mill quality loose	1120	-10	50000	unch
Haryana (Karnal)	Mill quality (Mill delivery)	1120	Unch	15000	10000
Haryana (Sirsa)	Mill delivery loose	1120	unch	10000	8000
Haryana (Rewari)	Mill quality loose	1120	10	500	300
Haryana (Panipath)	Mill quality loose	1120	30	1500	1000

*Prices in Rs/ Qtl & Arrivals in bags (1 bag = 1 Qtl)

RBI Indicative Exchange Rates

Country/ Continent	Currency	Value in Rupees 13-04-2011	Value in Rupees 15-04-2011
USA	Dollar	44.48	44.52
European Union	Euro	64.42	64.93
United Kingdom	GBP	72.36	72.53

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