

Price Drivers

- Wheat production likely to cross 85 MMT, Procurement pace slow due to delayed harvesting,
- Bonus approved, formal announcement awaited. yield increased in all states.
- Export likely but decision pending so far. Ministries differ over export issue.
- Procurement target increased to 26.3MMT.
- Export disparity from major growing states like Punjab and Haryana may increase with expected hike in procurement cost
- IGC revised wheat production estimates up, Bearish outlook in international wheat market for short term. Russian export uncertain.

Analysis: Technical

- Candlestick chart formation shows buyers support in the future market with range bound movement amid firm bias likely to continue.
- RSI is moving up in positive zone indicating firmness in the market
- Increased volume is also supportive for uptrend in short term.
- Wheat may trade in the price band of Rs 1170 to Rs1210
- Market participants are advised to buy at lower level.

Trade Recommendation: Wheat NCDEX (May)

Call	Entry	T1	T2	SL
Buy	>1194	1197	1201	1190
Support & Resistance				
S2	S1	PCP	R1	R2
1176	1188	1196.6	1203	1215



Spot Market Fundamentals

- Spot wheat prices in India fell further as arrivals gathered momentum with rising temperature. Wheat prices gained slightly a few days back on delay in arrival due to untimely rainfall. It has drifted towards the overall bearish trend back again and is expected to trade lower until either government lifts ban on export or supplies get affected in the upcountry markets.
- A panel of Indian ministers would decide on India wheat exports next week. The minister had ruled out exports of wheat on Tuesday saying that such an action would affect the domestic prices. India could easily sell around two million to three million tons of wheat stocks of roughly 32 million with little impact on domestic prices.
- The wheat procurement in the country's food bowl states of Punjab and Haryana has crossed the 100 lakh tonnes mark. Both states have procured nearly 103 lakh tonnes of wheat till Monday evening. While Punjab accounted for over 56.22 lakh tonnes, Haryana procured another 46.5 lakh tonnes.
- On April 1, at the start of the new harvesting season, India's public wheat stocks, at 15.36 million tonnes, were more than twice the required minimum buffer and strategic reserve of seven million tonnes. On top of that, the size of the crop about to be marketed was reckoned at an all-time-high of 84.27 million tonnes.
- 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. The wheat sowing area increased to 29.45 million hectares from 28.32 million hectares, the government data showed.
- Meanwhile, International wheat companies Cargill, Louis Dreyfus, Olam India and Glencore (Agri Core) have started procuring wheat from Gujarat and Rajasthan mandis. A bumper production and an increase in supplies have pushed prices down by 10% in the past fortnight to 1,025 a quintal in the Rajkot mandi. Across Uttar Pradesh, Madhya Pradesh, Punjab and Haryana supplies are yet to pick up pace..
- 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.

Prices of wheat will remain under pressure on rising supply from major producing states and private companies buying interest in states like U.P., Rajasthan and Bihar where there are fewer nos. of procurement centers and comparatively lower prices .Possibility of export may keep private buyers active and if allowed may support prices.

Prices at key Market

Centre	Variety	Prices 28.04-11	Chng from Prior Day	Arrivals 28-04-11	Chng from Prior Day
Delhi (Lawrence Road)	Mill Quality (Ready Delivery)	1180	5	10000	-5000
Delhi (Narela)	Mill Delivery Loose	1175	-	10000	-
Delhi (Nazafgarh)	Mill Delivery Loose	1170	-	7000	-
Gujarat (Rajkot)	Mill delivery	1160	Unch	15000	-1000
Gujarat (Ahmadabad)	Mill delivery	1180	Unch	1500	Unch
Gujarat (Surat)	Mill delivery	1210	Unch	1800	Unch
M.P. (Bhopal)	Mill quality loose (Lokwan)	1225	-5	3000	-3000
M.P. (Indore)	Mill quality	1210	10	8000	1000
Rajasthan (Kota)	Mill quality	1100-1120	10	25000	-10000
U.P. (Kanpur)	Mill delivery	1140-1145	5	500	-100
Punjab (Khanna)	Mill quality loose	1120	Unch	80000	-45000
Haryana (Karnal)	Mill quality (Mill delivery)	1120	Unch	15000	10000
Haryana (Sirsa)	Mill delivery loose	1160	-10	30000	5000
Haryana (Rewari)	Mill quality loose	1120	Unch	1500	1000
Haryana (Panipath)	Mill quality loose	1120	Unch	2500	1500

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

RBI Indicative Exchange Rates

Country/ Continent	Currency	Value in Rupees 27-04-2011	Value in Rupees 28-04-2011
USA	Dollar	44.40	44.33
European Union	Euro	65.17	65.78
United Kingdom	GBP	73.26	74.13

DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>