

### Price Drivers

- Wheat production is expected to cross 85 MMT, Procurement over 20MMT so far
- Export deferred now. Export parity from Gujarat and Bihar only
- Pressure from new crop is expected to decrease in the third week of May.
- Procurement target of 26 MMT is likely to achieve.
- MSP and bonus are keeping market up where Procurement agencies are active.
- IGC revised wheat production estimates up, Rough weather will support international wheat market in weeks ahead.

### Analysis: Technical

- Candlestick chart formation buying interest in the market.
- RSI is moving up in neutral zone indicating firmness in the market.
- MACD is also moving up in positive zone which further supports improvement in the market.
- Increase in volume also supports bullish sentiments.
- Closing of price above than 9 & 18 days EMA is also supporting firmness in the market.
- Buying for short term is advisable.

### Trade Recommendation: Wheat NCDEX (May)

Call	Entry	T1	T2	SL
<b>BUY</b>	>1205	1212	1215	1200
Support & Resistance				
S2	S1	PCP	R1	R2
1187	1190	1208.80	1222	1231



### Spot Market Fundamentals

- Mostly steady sentiment witnessed in major markets.
- Rainfall during past few days in Punjab has raised the concerns for wheat crop as around 20% crop is harvested till date in the state.
- Better returns during last year will encourage Canadian farmers to increase the area under wheat as acreage under wheat during 2011-12 is forecasted at 95.7 lakh hectares compared to the last year's acreage of 82.69 lakh hectares.
- Ending stocks of wheat in Canada during 2010-11 have fallen sharply to 57 lakh tones compared to the last year's ending stock of 78.29 lakh tones.
- Wheat procurement by all state run procurement agencies during 2011-12 rabi marketing season (April-June) is reported at 217.37 lakh tones compared to 209.91 lakh tones procured in 2010-11 rabi marketing season during the same period.
- As per govt. officials view, exports will be allowed after assessing local demand and India's grain bins are overflowing and the forecast for a normal monsoon promises another bumper crop may force govt. to think about limited quantity of export.
- The Government agencies are expected to procure 5.9 million tons during May to June which would lead overall procurement to near 25.8 million tons.
- Almost every market in Punjab and Haryana has received higher arrivals in the last week and arrival pressure is likely to increase in weeks ahead.

**Prices of wheat will remain under pressure on rising supply from major producing states and MNC's buying interest in states like U.P., Rajasthan and Bihar where there are fewer nos. of procurement centers and comparatively lower prices. Meanwhile export decision deferred right now and govt may reconsider it in June.**

## Prices at key Market

Centre	Variety	Prices 11-05-11	Change from Prior Day	Arrivals 11-05-11	Change from Prior Day
Delhi (Lawrence Road)	Mill Quality (Ready Delivery)	1175	-	10000	-
Delhi (Narela)	Mill Delivery Loose	Close			
Delhi (Nazafgarh)	Mill Delivery Loose	Close			
Gujarat (Rajkot)	Mill Quality	1060	+10	6000	-
Gujarat (Ahmadabad)	Mill delivery	1190	Unch	NR	-
Gujarat (Surat)	Mill delivery	1220	Unch	NR	-
M.P. (Bhopal)	Mill quality loose (Lokwan)	1175	+50	3000	-3000
M.P. (Indore)	Mill delivery	1200	Unch	6000	-2000
Rajasthan (Kota)	Mill quality	1200	-	35000	-5000
U.P. (Kanpur)	Mill delivery	1165	-	1500	+800
Punjab (Khanna)	Mill quality loose	1120	-	5000	-3000
Haryana (Kamal)	Mill quality (Mill delivery)	1185	+10	10000	-1000
Haryana (Sirsa)	Mill delivery loose	1170	Unch	5000	-
Haryana (Rewari)	Mill quality loose	1170	Unch	NR	-
Haryana (Panipath)	Mill quality loose	1170	Unch	NR	-

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

## RBI Indicative Exchange Rates

Country/ Continent	Currency	Value in Rupees 10-05-2011	Value in Rupees 11-05-2011
USA	Dollar	44.73	44.69
European Union	Euro	63.90	64.39
United Kingdom	GBP	73.20	73.12

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