

WHEAT DAILY

30th MAY, 2006

SPOT MARKETS:

Wheat spot prices at the domestic market get restricted on Monday on reduced buying activity though the demand from the flourmills remained stable. The meager arrival has kept pressure on prices. The racks have been loading for South India from Delhi since couple of days. Wheat dara mill quality has traded at Rs.860-862/qrtl, slight down from Saturdays at the Lawrence road in Delhi. The arrival is witnessing around 8000-9000 bags at this mandis while total arrival is 50000-55000 bags in Delhi. The prices remained also steady at Rs.800-805/qrtl at Narella and Najafgarh mandis with restricted arrival. Where as poor arrival and hoarding stocks by the big farmers pushed up the prices in Uttar Pradesh mandis. But the overall sentiment is witnessed steady to up. The poor demand of the wheat products also kept pressure on prices.

FUTURES MARKETS:

NCDEX wheat futures fell down at last hour of trading on Monday amidst speculative selling and almost steady physical market price. The futures market traded almost rangebound with slight down at most of the trading session following strong opening but fell down at end of the session. The strong selling pressure and less activity by the buyers again pushed back the prices on bearish side. The most active July contract settled down Rs.5.80 at Rs.916 following strong opening at Rs.924.40 and traded in between Rs.913.00-924.40 Monday.

PRICE DRIVERS:

Bullish:

1. Steady demand from the flourmills and Chakki mills
2. Meagre arrival
3. Significant demand from South India

Bearish:

1. weak buying activity by the private buyers and MNCs
2. Wheat import

WEATHER:

Current weather has no impact on the crops and its arrival at the market.

TECHNICALS:

All of the indicators like Candlesticks, RSI, and MACD are indicating to downward price movement but the stochastic is still remained on oversold region, indicating technical reversal near, while 9-days and 18-days MA prevails upper side of price line, indicating to down. Volume and open interest decreased today. The prices are likely to remain down following strong opening in the coming days.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	873.7	865.5	879.4	884.5	890.5
July	913.9	905.5	916.0	923.3	929.8

TRADE RECOMMENDATION:

Sell July contract between 920-923, **Target** towards 913.3 next 910.5, and put **Stop Loss** at 926.5.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	27.05.06	29.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	863-865	860-862	-3.00
Haryana (Karnal)	Wheat Mill quality	857-862	857-862	-
Punjab (Khanna)	Wheat Mill quality	835-840	835-840	-
Gujarat (Ahmedabad)	Wheat Mill quality	940-945	945-950	+5.00
Rajasthan (Kota)	Wheat Mill quality	970-975	970-975	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	895-900	895-900	-
Madhya Pradesh (Indore)	Wheat Mill quality	960-965	960-965	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	833-837	850-855	+17.00

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