

WHEAT DAILY

19th MAY, 2006

SPOT MARKETS:

With the stable demand and supply scenario, the wheat prices were ruling steady to slight up at the domestic spot market today. The reduced buying activity by the private buyers like Cargill, ITC, Adani etc. are restricted the prices to up. The demand from the flourmills as well as roller and Chakki mills witnessed pronounced. There was a speculation at the market that the Australian shipment of wheat import to India had cancelled and as a result the prices were increasing but the government ruled out this type of rumors on Tuesday and therefore the upward trend restricted and the sentiments remained slight weak at some mandis like Sunam of Punjab and Maharashtra. Wheat dara mill quality remained steady at Rs.85-870/mtl with moderate arrival of 10000-12000 bags at the Lawrence road in Delhi today while the totalled arrival was around 60000-70000 bags in Delhi mandis. The prices are expected to prevail on slight negative territory at most of the mandis in the coming day.

FUTURES MARKETS:

NCDEX Wheat futures remained volatile today and settled slight up. The steady to slight strong physical market prices supported the futures market following early losses at the morning. The futures market opened firm but selling pressure pulled down the prices at the early hour however it regained afterwards and settled slightly up. The June contract finished slight up by Rs.4.80 to Rs.933.40 following firm opening at Rs.932 and traded in between Rs.920-934.80.

PRICE DRIVERS:

Bullish:

1. Import of remaining 4 lakh Mt of wheat expected to delay
2. Moderate arrivals with steady demand from mills

Bearish:

1. Reduced buying activity by the Cargill, AWB, Adani and ITC etc at some pockets.
2. STC receives eight bid for 30 LMt of another import tender
3. Private buyers shifts to mustard in place of wheat

WEATHER:

There is no weather impact on the crops and its arrival at the market.

TECHNICALS:

Most of the indicators like RSI, MACD and Stochastic are indicating to downward sentiment of wheat prices where as Candlesticks and MA is hinting to upward ness of prices curve. Volume as well as open interest has increased today. Wheat futures are expected to trade bullish following steady to weak opening in the coming days.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	926.5	920.5	933.4	939.3	945.5
July	965.2	956.7	974.2	985.3	990.2

TRADE RECOMMENDATION:

Buy near 929, **Target** towards 938 next 941.5, and put **Stop Loss** at 924.5.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	17.05.06	18.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	865-870	865-870	-
Haryana (Karnal)	Wheat Mill quality	870-875	875-880	+5.00
Punjab (Khanna)	Wheat Mill quality	830-835	830-835	-
Gujarat (Ahmedabad)	Wheat Mill quality	955-960	960-965	+5.00
Rajasthan (Kota)	Wheat Mill quality	975-980	975-980	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	910-915	915-920	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	990-1000	995-1000	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	870-875	865-870	-5.00

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