

## WHEAT DAILY

24<sup>th</sup> MAY, 2006

### SPOT MARKETS:

The prices tumbled down at the domestic spot market today on reduced buying activity by the private buyers like MNCs and stockists despite steady demand from the flourmills and Chakki mills. The other bearish factor was increasing in arrival. The prices decreased to Rs.5-20/mtl at most of the mandis today. Wheat dara mill quality has slipped by Rs.7-10/mtl to Rs.860-865/mtl with higher arrival of 16000-20000 bags at the Lawrence road of Delhi. The spot prices of wheat went to mostly upper side and it is witnessed that the prices increased to around 11% as compared to last year therefore the saturation point has come at the market and prices are now showing bearish trend. The downward trend is likely to continue in the coming days also.

### FUTURES MARKETS:

Wheat futures at the NCDEX remained mostly weak today amidst strong speculative buying and weak spot market price. The imported wheat of 30 lakh Mt will hit the market in July therefore the buyers are less active and selling pressure pushing down the prices. The futures market opened mostly weak and traded bearish throughout the session. The most active July contract fell down by Rs.24.6 to Rs.934 following mostly weak opening at Rs.954 and traded in between Rs.928.40-954.00.

### PRICE DRIVERS:

#### Bullish:

1. Govt. procurement slip to 9.5 MMT
2. Steady demand from mills

#### Bearish:

1. Cargill, AWB, Adani and ITC etc are staying away from the market as they created sufficient stocks
2. Increasing of arrival
3. Weak demand for wheat products
4. First shipment of imported wheat of 30 lakh Mt likely to hit in July

### WEATHER:

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

### TECHNICALS:

Candlesticks, RSI, MACD and Stochastic are indicating to downward sentiment of wheat price and 9-days and 18-days MA are prevailing upper side of price line which hinting to sharp bearish trend. Volume increased while open interest decreased today. Wheat futures are likely to continue this downward trend following steady to weak opening in the coming days also.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	885.7	876.5	898.4	907.3	919.6
July	914.3	909.5	934.0	936.1	947.9

### TRADE RECOMMENDATION:

**Sell** July contract between 937-942, **Target** towards 924.5 next 920.5, and put **Stop Loss** at 950.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	20.05.06	22.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	865-870	860-865	-5.00
Haryana (Karnal)	Wheat Mill quality	870-875	860-865	-10.00
Punjab (Khanna)	Wheat Mill quality	830-835	825-830	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	955-960	940-945	-15.00
Rajasthan (Kota)	Wheat Mill quality	975-980	970-975	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	907-912	890-895	-17.00
Madhya Pradesh (Indore)	Wheat Mill quality	985-990	970-975	-15.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	857-862	855-860	-2.00

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