

WHEAT DAILY

27th MAY, 2006

SPOT MARKETS:

Wheat arrivals, especially for bulk consumers like flour mills in North India, have improved this week and therefore the prices were also falling marginally on increased arrivals at some pockets. On the other hand, the poor activity by the private buyers and MNCs also pulled down the prices though some positive movement was noticed at some markets like Delhi, Bhopal, Gujarat and Kanpur. Besides, the government has called off their procurement primarily, thus giving some relief to growers and traders. Wheat dara mill quality has increased to Rs.860-862/mtl with meager arrival of 7000-8000 bags at the Lawrence road in Delhi Thursday due to loading of racks from Delhi for South India and Assam. In Bhopal, it was quoted up at Rs 875-880/mtl. The prices are expected to prevail on steady to slight down at most of the mandis in the coming days.

FUTURES MARKETS:

NCDEX wheat futures slipped further Thursday amidst strong selling pressure, as imported wheat is likely to arrive within one months and other import news. The rise of wheat prices in physical market did not support the futures as the futures prices are higher than spot. The futures market traded bearish through out the trading session following weak opening and settled mostly weak. The most active July contract slipped Rs.10.60 at Rs.920 following weak opening at Rs.927.20 and traded in between Rs.919.80-934.00 Thursday.

PRICE DRIVERS:

Bullish:

1. Decrease in arrival
2. Moderate buying activity by the MNCs and flourmills
3. Demand from South India

Bearish:

1. Wheat import news
2. Primarily called of wheat procurement by the Govt.

WEATHER:

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

TECHNICALS:

All of the indicators like Candlesticks, RSI, MACD and Stochastic are indicating to bearishness of wheat prices however the Stochastic still remained on oversold region, indicating technical reversal while 9-days and 18-days MA are remaining upper side of price line which hinting to sharp bearish trend. Volume increased but open interest decreased today. Wheat futures are likely to maintain this bearish trend following weak opening in the coming days also.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	872.3	865.5	883	890.5	895.2
July	914.3	900.2	920	925	930

TRADE RECOMMENDATION:

Sell July contract between 922-925, **Target** towards 913.5 next 910.5, and put **Stop Loss** at 927.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	25.05.06	26.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	850-855	860-862	+10.00
Haryana (Karnal)	Wheat Mill quality	850-855	850-855	-
Punjab (Khanna)	Wheat Mill quality	835-840	835-840	-
Gujarat (Ahmedabad)	Wheat Mill quality	933-937	935-940	+2.00
Rajasthan (Kota)	Wheat Mill quality	980-982	975-980	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	890-895	900-905	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	960-965	950-960	-10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	830-835	825-830	-5.00

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