

WHEAT DAILY

31st MAY, 2006

SPOT MARKETS:

The market prices for wheat restricted at most of the spot market on Tuesday amidst stable demand supply scenario. Wheat dara mill quality has traded at Rs.858-863/qlt on slight lower with average arrival of 7000-9000 bags at the Lawrence road in Delhi. The demand from South India kept the prices on relatively steady side despite the poor demand from the MNCs but the demand from flourmills witnessed strong. But the sentiment is witnessed strong in Rajasthan and Kanpur mandis on relatively poor arrival and strong buying demand from flourmills. The wheat is supplying from Rajasthan, Haryana and Delhi to South India. The imported wheat is likely to arrive delay, which also kept pressure on prices. The spot market is likely to continue this steady tone in the coming days also.

FUTURES MARKETS:

Wheat futures at the NCDEX continued to trade bearish on strong speculative selling despite the steady market price at spot market. There was no news to boost up the market and the market is continued to trade on oversold region. Sellers are speculating that the futures prices are expected to remain down when imported wheat will arrive in next month. The futures market opened steady and was traded rangebound at the first few hour of trading but fell down tremendously afterwards. The most active July contract slipped Rs.12.40 at Rs.903.60 following steady opening at Rs.916 and traded in between Rs.898-916 Tuesday.

PRICE DRIVERS:

Bullish:

1. Decreasing in arrival
2. Significant demand from South India
3. STC likely to fetch 8-Lmt wheat from tender of 30-Lmt

Bearish:

1. Poor purchasing by the MNCs
2. Speculation of price decline in next month due to import

WEATHER:

Prevailing weather condition is not likely to hamper on wheat arrival and stocks in the inventory.

TECHNICALS:

Candlesticks, RSI, and MACD are continuing to indicate bearish trend of wheat futures however the stochastic is still prevailing on oversold region, indicating technical reversal in near future, while 9-days and 18-days MA remains upper side of price line, hinting to down. Volume and open interest increased today. Wheat futures are expected to continue this bearish trend following steady to strong opening in the coming days also but technical reversal might be possible.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	865.8	860.2	873.0	877.8	883.8
July	885.5	880.3	903.6	909.9	917.5

TRADE RECOMMENDATION:

Sell July contract between 905-908, **Target** towards 895 next 890, and put **Stop Loss** at 911.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	29.05.06	30.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	858-862	-2.00
Haryana (Karnal)	Wheat Mill quality	857-862	857-862	-
Punjab (Khanna)	Wheat Mill quality	835-840	825-830	-
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	945-950	-
Rajasthan (Kota)	Wheat Mill quality	970-975	975-980	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	895-900	915-920	+20.00
Madhya Pradesh (Indore)	Wheat Mill quality	960-965	960-965	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	850-855	840-845	-10.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.