

## WHEAT DAILY

1<sup>st</sup> JUNE, 2006

### SPOT MARKETS:

Wheat spot prices remained at previous level at few pockets where as it remained modestly down in another pockets Wednesday. The good demand amidst restricted arrival kept the prices on relatively stable to bearish side. The rake demand from South India and Assam are still continuing. Around one rake daily are loading from Delhi. At Lawrence road in Delhi, wheat dara was offered at steady at Rs.858-860/qrtl with average arrival of 8000-10000 bags. The prices witnessed weak in Maharashtra, MP, UP, Khanna, Rajasthan and Haryana market due to weakness in buying activity by the MNCs. However the rains in MP have affected the quality and buyers are not interested to create stocks so prices are declining. Government oks to import of 8 lakh tonnes wheat from Australia and Agrico company but it had no affect on the market price and it is unlikely to market down. The prices are likely to remain steady in the near future.

### FUTURES MARKETS:

Wheat futures at the NCDEX traded rangebound with slight up Wednesday amidst technical correction as the market went to oversold region. The steady to down price movement at the physical market restricted the futures prices to mostly up. The most active July contract settled slight up Rs.0.80 at Rs.904.40 following strong opening at Rs.904.80 and traded in between Rs.900.60-908.40 Wednesday.

### PRICE DRIVERS:

#### Bullish:

1. Low Arrival
2. Govt Wheat Procurement Slips 34% at 9.21 MMt
3. Govt Approved to Import of 8 lakh tonnes of Wheat

#### Bearish:

1. Weak Demand from Buyers
2. Rains in the southern parts of the country inducing quality deterioration

### WEATHER:

The ongoing rainfall activity in southern parts of the country is likely to deteriorate the quality.

### TECHNICALS:

Candlesticks is indicating indecisive market while Stochastic is going to upward from oversold region, indicating bullish but MA is still prevailed upper side of price line and MACD is hinting to bearish ness of wheat prices and remained on negative zone. Open interest as well as volume decreased. It is expected to increase the wheat futures following steady to weak opening in the coming day.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	873.0	869.0	877.0	882.0	888.0
July	899.0	895.0	904.4	908.3	912.3

### TRADE RECOMMENDATION:

**Buy July** contract between 898-902, **Target** towards 908.3 next 912.3, and put **Stop Loss** at 892.

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

Markets	Variety	30.05.06	31.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	858-862	858-860	-
Haryana (Karnal)	Wheat Mill quality	857-862	853-857	-4.00
Punjab (Khanna)	Wheat Mill quality	825-830	820-825	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	945-950	-
Rajasthan (Kota)	Wheat Mill quality	975-980	977-982	+2.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	915-920	913-917	-2.00
Madhya Pradesh (Indore)	Wheat Mill quality	960-965	950-955	-10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	840-845	825-830	-15.00

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