

WHEAT DAILY

16th MAY, 2006

SPOT MARKETS:

Wheat prices increased at the domestic spot market of Delhi, M.P., Gujarat and Rajasthan etc. today due to short of arrival and good buying demand from flourmills, Chakki mills and stockists. Therefore wheat dara mill quality has increased by Rs.5-10/qrtl to Rs.865-870/qrtl with average arrival of 8000-10000 bags at the Lawrence road. The wheat prices offered higher rate at Ahmedabad and Rajkot mandis to Rs.970-975/qrtl with totalled arrival of 5000-6000 bags and Rs.870-875/qrtl with 3000-4000 bags of arrival. However the sentiment remained slight weak at Haryana and U.P. mandis amidst releasing stocks by the farmers from higher level. The lower procurement by the govt. and strong demand from the private buyers are aggravated the wheat prices to up.

FUTURES MARKETS:

NCDEX Wheat futures fell down again today due to profit booking at higher level and speculative selling. Therefore the futures market opened firm and went to higher level but profit booking pushed down the prices and settled mostly lower. The June contract settled mostly down by Rs.13.40 to Rs.935.20 following strong opening at Rs.953.00 and traded in between Rs.933.60-958.00 today.

PRICE DRIVERS:

Bullish:

1. Australian wheat import likely to delay as quality concern
2. Haryana Likely to Procure 50% of Last Year Level
3. Punjab Govt Expected to Procure 70 Lt of Wheat

Bearish:

4. Wheat Procurement Expected to Gear Up
5. India Selects Ports For 3M MT Wheat Import Delivery

WEATHER:

The winter wheat harvest across north India will benefit from a recent turn to drier and warmer weather. Around 90-95% crop has been harvested.

TECHNICALS:

Most of the indicators like Candlesticks, RSI, and Stochastic are hinting to bearish where as MA hinting to upward ness. Volume remained down open interest witnessed steady. It is expected that wheat futures to trade bearish following steady to strong opening in the coming days.



SUPPORT / RESISTANCES:

Month	S1	S2	R1	R2
June	921.9	914.1	939.3	945.8
July	964.7	955.2	994.3	1001.1

TRADE RECOMMENDATION:

Sell near 942, **Target** towards 930, and put **Stop Loss** at 948.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	13.05.06	15.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-865	870-875	+10.00
Haryana (Karnal)	Wheat Mill quality	865-870	855-860	-10.00
Punjab (Khanna)	Wheat Mill quality	860-865	845-850	-15.00
Ahmedabad	Wheat Mill quality	950-955	965-970	+15.00
Rajasthan (Kota)	Wheat Mill quality	980-985	985-990	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	887-892	885-890	-2.00
Madhya Pradesh (Indore)	Wheat Mill quality	990-995	990-1000	-

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