

WHEAT DAILY

22th MAY, 2006

SPOT MARKETS:

Range bound with slight negative sentiment is witnessing today for the wheat market at most of the trading centre. The wheat prices declined slightly by Rs.5-7/qrtl at Haryana, Gujarat and U.P. mandis today due to reduced buying activity by the private buyers and MNCs as they have created sufficient stocks. Though the meager arrival kept pressure on prices. But the sentiment improved some how in Delhi and M.P. mandis amidst remarkable demand from the mills despite higher arrival as compared with previous day. Wheat dara mill quality traded slight up at Rs.865-870/qrtl with average arrival of 15000-17000 bags at the Lawrence road in Delhi while totalled arrival was up around 1-lakh bags from Haryana and Mathura. The other market is showing steady sentiment on stable demand supply scenario.

FUTURES MARKETS:

NCDEX Wheat futures fell down further on strong speculative selling today, supported by slight weakness at spot market. There was no supportive news, which pushed the prices to up. The futures market traded bearish throughout the trading session following weak opening and settled on negative territory. The June contract stumbled down by Rs.11 to Rs.916.8 following weak opening at Rs.926 and traded in between Rs.914.00-926.20 while July contract settled down by Rs.13.20 to Rs.957.20 following weak opening at Rs.968.00 and traded in between Rs.956.00-969.20 today.

PRICE DRIVERS:

Bullish:

1. Govt. procurement slip to 9.5 MMT
2. Moderate arrivals with steady demand from mills
3. Cost of Imported Wheat Expected to Above Rs.950/qrtl

Bearish:

1. Poor purchasing by the Cargill, AWB, Adani and ITC etc at some pockets.
2. STC might be float additional tender to import wheat
3. Weak demand for wheat products

WEATHER:

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

TECHNICALS:

All of the indicators like Candlesticks, MA, RSI, and Stochastic are hinting to bearish sentiment of wheat prices. MA remained upper side of price line, indicating downward sentiment. Volume increased while open interest decreased today. Wheat futures are expected to remain on negative zone following steady to weak opening in the coming week.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	906.0	900.0	916.8	919.1	925.2
July	946.2	940.5	957.2	962.3	968.5

TRADE RECOMMENDATION:

Sell near 919.2, **Target** towards 906.5 next 900.2, and put **Stop Loss** at 926.5.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.05.06	20.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	862-867	865-870	+3.00
Haryana (Karnal)	Wheat Mill quality	875-880	870-875	-5.00
Punjab (Khanna)	Wheat Mill quality	830-835	830-835	-
Gujarat (Ahmedabad)	Wheat Mill quality	960-965	955-960	-5.00
Rajasthan (Kota)	Wheat Mill quality	975-980	975-980	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	910-915	907-912	-3.00
Madhya Pradesh (Indore)	Wheat Mill quality	980-990	985-990	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	857-862	857-862	-

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.