

WHEAT DAILY

29th MAY, 2006

SPOT MARKETS:

In restricted arrival, wheat prices are recovering in the domestic spot market and it traded slight strong today amidst buying by rolling flour mills and ended a shade higher. According to the traders, pick up in demand from rolling flourmills helped wheat prices to recover. Though the demand from the MNCs remained mostly weak. Wheat dara mill quality has soared to Rs.863-865/mtl with daily average arrival of 8000-10000 bags at the Lawrence road while total arrival was 45000-55000 bags in Delhi Saturday. At Narella and Najafgarh mandis it quoted steady at Rs.800-805/mtl with meager arrival. The most of the mandis are showing this bullish trend. The other governing factors are delay in import of Australian wheat and weak government's procurement and stocks.

FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight up Saturday ahead of the weekend holiday amidst choppy trading and upward physical market price. The futures market traded rangebound through out the trading period following weak opening and settled slightly up. The bears have lost their power and bulls are coming back and it is likely to impact on coming week's trading. The most active July contract inched up Rs.0.80 at Rs.921.80 following weak opening at Rs.920.20 and traded in between Rs.919.00-924.80 Thursday.

PRICE DRIVERS:

Bullish:

1. Restricted arrival
2. Strong buying activity by the rolling flourmills
3. Promising demand in South India

Bearish:

1. Poor buying by the MNCs
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:

Most of the indicators like RSI, MACD and Stochastic are hinting to bearish where as Candlesticks showed indecisive market and the stochastic still remained on oversold region, indicating technical reversal while 9-days and 18-days MA remains upper side of price line, hinting to bearish. Volume and open interest decreased today. The prices are expected to trade bullish following weak opening in the coming week.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	880.5	875.5	883	892.5	900.2
July	916.3	910.5	921.8	930.3	933.6

TRADE RECOMMENDATION:

Buy July contract between 913-917, **Target** towards 925.5 next 930.3, and put **Stop Loss** at 909.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	26.05.06	27.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	863-865	+3.00
Haryana (Karnal)	Wheat Mill quality	850-855	857-862	+7.00
Punjab (Khanna)	Wheat Mill quality	835-840	835-840	-
Gujarat (Ahmedabad)	Wheat Mill quality	935-940	940-945	+5.00
Rajasthan (Kota)	Wheat Mill quality	975-980	970-975	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-905	895-900	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	950-960	960-965	+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	825-830	833-837	+8.00

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