

WHEAT DAILY

20th MAY, 2006

SPOT MARKETS:

The sentiment for wheat market is remaining steady to slight weak at the domestic spot market today. Wheat dara mill quality offered at almost steady side at Rs.862-867/mtl with average arrival of 14000-16000 bags at the Lawrence road in Delhi while totalled arrival in Delhi was around 60000-80000 bags. Wheat mill quality witnessed weak in M.P. and U.P. mandis on lack of buyers as the prices went to higher side and prices declined by Rs.5-15/mtl at most of the mandis of this state today. The market is likely to remain steady to slight up at the domestic spot market in the coming day also, according to the traders. The tender has closed on Thursday and STC has received eight bids. There was no firm bid for the entire quantity. Therefore the government can take another option to import more through additional tenders.

FUTURES MARKETS:

NCDEX Wheat futures traded bearish today on speculative selling. The slight negative sentiment of spot market also supported the futures market. The May contract has expired today on lower side. The news that India might be float additional wheat tender also sparked the futures to down though the futures market settled slight upper side from its lower level of today. The June contract was slipped by Rs.4.20 to Rs.928.00 following weak opening at Rs.931.20 and traded in between Rs.921.40-934.40.

PRICE DRIVERS:

Bullish:

1. Import of remaining 4 lakh Mt of wheat expected to delay
2. Reduced arrivals with steady demand from mills

Bearish:

1. Weak buying activity by the Cargill, AWB, Adani and ITC etc at some pockets.
2. STC might be float additional tender to import wheat
3. Private buyers shifts to mustard in place of wheat

WEATHER:

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

TECHNICALS:

All of the indicators like Candlesticks, RSI, MACD and Stochastic are indicating to bearish trend of wheat futures. MA prevailed upper side of price line, indicating downward sentiment. Volume as well as open interest has decreased today. Wheat futures are likely to trade bearish following strong opening in the coming days.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	921.7	914.7	928	935.1	940.1
July	963.3	955.6	971	978.3	985.6

TRADE RECOMMENDATION:

Sell near 932.5, **Target** towards 921.5 next 917.6, and put **Stop Loss** at 938.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	18.05.06	19.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	865-870	862-867	-3.00
Haryana (Karnal)	Wheat Mill quality	875-880	875-880	-
Punjab (Khanna)	Wheat Mill quality	830-835	830-835	-
Gujarat (Ahmedabad)	Wheat Mill quality	960-965	960-965	-
Rajasthan (Kota)	Wheat Mill quality	975-980	975-980	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	915-920	910-915	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	995-1000	980-990	-15.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	865-870	857-862	-8.00

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