

## WHEAT DAILY

9<sup>th</sup> JUNE, 2006

### SPOT MARKETS:

Wheat prices improved at Rajasthan, Gujarat and U.P. mandis on meager arrival coupled with steady demand. The moderate buying activity by the MNCs are bolstered the prices to up. However the other market observed rangebound trading on Thursday on almost stable demand supply scenario. At Lawrence road mandi, Delhi, wheat dara got steady at Rs.860-862/qrtl with steady arrival of 7000-8000 bags. At the meantime, one rake is reported to be loaded for south India in this week from this state. The demand in rake from South has made the prices to go up considerably, which has enforced the local flourmill owners to buy wheat at higher prices, therefore significant drop is not expected in the near future. The cut in PDS wheat quota and increase in PDS wheat prices are also continuing to keep pressure on prices.

### FUTURES MARKETS:

NCDEX wheat futures fell down again Thursday on speculative selling pressure despite the steady to slight upward sentiment of the domestic spot market. The profit booking at higher level also pulled down the prices. The futures market traded almost bearish following strong opening amidst sharp decline in the sensex and other markets. Most active July contracts settled down by Rs.8.40. at Rs.904.80 following strong opening at Rs.913 and traded in between Rs.902-913.60.

### PRICE DRIVERS:

#### Bullish:

1. Govt Considering a Hike in PDS Wheat Prices
2. Govt Cutting The Quota Of PDS Wheat
3. Considerable Demand from the South

#### Bearish:

1. Reduced buying Activity by the MNCs
2. Wheat Import Tender Likely to Float in 1-2 Weeks
3. Speculative Selling at the Futures Market

### WEATHER:

The arrival is not likley to hamper due to monsoon as the monsoon is expected to weak at the producing region.

### TECHNICALS:

Black candlestick body witnessing bearish price movement. Prices closed below both the 9-days and 18-days EMA indicating to downward price movement. MACD is going to positive from negative zone. %K line is running above %D line and prevailed in neutral region. Open interest decreased but volume increased. The prices are likley to remain bearish following steady to strong opening in the coming day.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	865.2	868.2	872.0	876.2	881.5
July	900.7	895.5	904.8	909.5	913.5

### TRADE RECOMMENDATION:

**Sell July** between 907-909 with target towards 900. Second target 895.7. Put stop loss at 912.

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

Markets	Variety	7.06.06	8.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	860-862	-
Haryana (Karnal)	Wheat Mill quality	850-852	850-853	-
Punjab (Khanna)	Wheat Mill quality	830-835	830-835	-
Gujarat (Ahmedabad)	Wheat Mill quality	950-955	960-962	+10.00
Rajasthan (Kota)	Wheat Mill quality	972-977	980-985	+8.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-905	900-905	-
Madhya Pradesh (Indore)	Wheat Mill quality	965-975	960-970	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	840-845	845-847	+5.00

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