

WHEAT DAILY

23rd JUNE, 2006

SPOT MARKETS:

The market sentiment improved for the wheat prices Thursday following steady market from several days at most of the market. Wheat dara prices quoted up to Rs.868-870/qlt at the Lawrence road in Delhi. According to the traders, the arrival is increased at this mandis however the total inflow is remained weak in Delhi and there was no arrival at the station; therefore the rake loading for South is being stopped for today from Delhi. The demand from the flourmills and chakki mills witnessed moderate. The government announced wheat imports by the private sector under easier terms, to arrest spiraling prices. Therefore the prices slightly fell down at some pockets. Most wheat futures contracts on the domestic exchanges tumbled down by 25-35 per quintal after Thursday's cabinet move. Traders are expecting that the prices will be tumble down at the spot as the stockists and farmers might be release their socks.

FUTURES MARKETS:

NCDEX wheat futures stumble down Thursday due to government is relaxing wheat import by the private users under easier terms. Therefore the wheat futures opened strong and went to higher side on recovering spot prices but fell down at the second half of the session due to strong speculative selling. The August contract made contract low that day. Most active July contracts slid by Rs.13.20 at Rs.866.60 following strong opening at Rs.880 and traded in between Rs.858-886 Thursday.

PRICE DRIVERS:

Bullish:

1. Weak Arrival due to Hoarding of Stocks
2. Regular Demand from South India

Bearish:

1. Govt. Relaxing Wheat Import by the Private Sector
2. Futures Market Tumble Down
3. Expectation of Stocks Releasing by the Stockists and Marginal Farmers

WEATHER:

The revival of monsoon is expected to hinder on the arrival for next one to two days as monsoon is improving in South India, Maharashtra, and North Eastern states.

TECHNICALS:

Long black candlestick is hinting to bearish market for the next day but %K line is still going to up following made a bullish crossover with its %D line from down in neutral region. Prices closed below the 9-days and 18-days EMA, indicating to further downward price movement while MACD is going to down following made a bearish cross over from up in negative territory. Open interest and volume increased. The sentiment is likely to remain weak following strong opening in the coming trading day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	858.0	849.5	866.6	872.1	877.8
August	880.0	875.0	887.2	895.5	902.5

TRADE RECOMMENDATION: (Intraday)

Sell July between 868-871 with target towards 858. Second target 855. Put stop loss at 876.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	21.06.06	22.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	865-866	868-870	+3.00
Haryana (Karnal)	Wheat Mill quality	850-852	851-853	+1.00
Punjab (Khanna)	Wheat Mill quality	827-832	825-827	-2.00
Gujarat (Ahmedabad)	Wheat Mill quality	956-960	958-962	+2.00
Rajasthan (Kota)	Wheat Mill quality	970-975	977-982	+7.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-903	900-903	-
Madhya Pradesh (Indore)	Wheat Mill quality	955-965	955-965	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	855-860	850-855	-5.00

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