

WHEAT DAILY

14th JUNE, 2006

SPOT MARKETS:

Wheat prices got steady to slight down at the domestic spot market of Delhi today on dull trading activities. Wheat dara mill quality has been offering slight down at Rs.862-865/qlt with steady arrival of 8000-9000 bags at the Lawrence road. Three rakes was loaded is the previous week from Delhi to South India. The demand from south is promising therefore the prices is unlikely to fall. The flourmills are purchasing wheat at higher prices due to short of arrival however the weak product demand kept the prices on relatively steady side. Traders said, around 3-4 rakes are expected to be loaded in this week for South. The government floated a import tender of 22 lakh tones of wheat on Monday which also created pressure on prices to down. Apart from this the flourmill owners have demanded to duty free import of wheat as STC to augment the supplies at the market, which bolstered the prices to down.

FUTURES MARKETS:

NCDEX wheat futures tumbled down at late hour Tuesday on speculative selling as the government floated wheat import tender on Monday. The futures market traded slight down to range bound till mid of the session but strongly fell down after that. The flourmills demanded to the govt to allow them for duty free import of wheat, which also supported the futures to down. Therefore the speculators are eager to sell wheat as they speculation that the prices will be come down in near future. Most active July contracts slipped by Rs.14.20. at Rs.886.60 following steady opening at Rs.900.40 and traded in between Rs.886.60-901.80 Tuesday.

PRICE DRIVERS:

Bullish:

1. Significant demand from flourmills
2. Considerable demand from South India

Bearish:

1. Govt. Floated a Import Tender of 22 lakh tonnes of Wheat
2. India Relaxed Quality Norms of New Wheat Import Tender
3. Flour Mills Looking for Duty Free Import of Wheat

WEATHER:

Weak monsoon activity is not likely to hamper on arrival to the market.

TECHNICALS:

Black candlestick body hinting to bearishness of prices while %K line remained below over the %D line and going to down in neutral region. Prices settled down both the 9-days and 18-days EMA hinting to downward price movement. MACD made bearish crossover and going to down in negative zone. Open interest and volume increased. The prices are likely to trade bearish following steady to weak opening in the coming trading day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	878.3	874.5	886.6	891.9	896.4
August	906.6	900.5	913.0	919.9	924.5

TRADE RECOMMENDATION:

Sell July between 885-887 with target towards 878.3. Second target 874.5. Put stop loss at 891.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	12.06.06	13.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	864-866	862-865	-2.00
Haryana (Karnal)	Wheat Mill quality	852-854	850-852	-2.00
Punjab (Khanna)	Wheat Mill quality	830-831	830-832	-
Gujarat (Ahmedabad)	Wheat Mill quality	960-961	955-960	-5.00
Rajasthan (Kota)	Wheat Mill quality	985-990	990-995	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	902-905	903-906	-1.00
Madhya Pradesh (Indore)	Wheat Mill quality	962-972	955-960	-7.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	835-840	845-850	+10.00

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.