

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices are prevailed at previous level at most of the mandis on Wednesday on stable demand supply scenario while some bearish trend is noticed at some pockets amidst poor demand. The flourmills are waiting for the prices to decline therefore they are not creating stocks at now. The arrival is remaining weak as compared to last year. Wheat dard is fixed at Rs.865/qrtl at the Lawrence road in Delhi with average inflow of around 8000-9000 bags from UP and Haryana. The rakes are still loading from the capital. The traders are expecting that around 3-4 rakes would be loaded in this week, which is also contributing some pressure on prices. The prices got down at Bhopal mandis due to poor local demand despite the MNCs have still purchased wheat. The stockists are hoarding the stocks as speculation of prices increase in the next month when the arrival will be decreased.

### FUTURES MARKETS:

NCDEX wheat futures got down further on Wednesday due to weakness in other markets, speculative selling and rumor of duty free wheat import by the direct users. The futures market opened weak and went to mostly lower and slightly recovered the early losses but settled at negative territory. The weakness at the Sensex market also provided some support the commodity market to down. The flourmills demanded to the govt to allow them for duty free import of wheat, which supported the futures to down. Most active July contracts tumbled down by Rs.13.40. at Rs.875.20 following weak opening at Rs.886 and traded in between Rs.867-888 Wednesday.

### PRICE DRIVERS:

#### Bullish:

1. Steady demand from flourmills and chakki mills
2. Promising demand from South India

#### Bearish:

1. Govt. floated a import tender of 22 lakh tonnes of wheat
2. Weak buying support from the MNCs
3. Flour mills looking for duty free import of wheat

### WEATHER:

Weak monsoon activity is not likely to hamper on arrival to the market. Therefore the marginal stockists are likely to hold their stocks.

### TECHNICALS:

Black candlestick body with long lower shadow hinting to slight recovery of the market in the next day while %K line remained below the %D line and slight upward in neutral region. Prices settled far below than 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 decreased and volume increased. The prices are likely to trade bearish following steady to strong opening in the coming trading day.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	865.8	858.5	875.2	880.2	886.6
August	892.4	883.3	900.4	905.5	912.5

### TRADE RECOMMENDATION:

Buy July between 865-870 with target towards 880.5. Second target 884.6. Put stop loss at 860.

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

Markets	Variety	13.06.06	14.05.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	862-865	864-865	+1.00
Haryana (Karnal)	Wheat Mill quality	850-852	851-853	+1.00
Punjab (Khanna)	Wheat Mill quality	830-832	827-830	-3.00
Gujarat (Ahmedabad)	Wheat Mill quality	955-960	955-960	-
Rajasthan (Kota)	Wheat Mill quality	990-995	985-990	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	903-906	900-903	-3.00
Madhya Pradesh (Indore)	Wheat Mill quality	955-960	955-960	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	845-850	845-850	-

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