

WHEAT DAILY

22nd JUNE, 2006

SPOT MARKETS:

The sentiment is witnessing mixed at the wheat spot market Wednesday. The prices remained steady strongly at previous level in Delhi, U.P., M.P., and Maharashtra mandis on stable demand supply condition while the market scaled up in Gujarat, Punjab, Haryana and Bareilly market on inadequate arrival. The wheat prices are lying at Rs.865-866/qrtl at the Lawrence road mandi of Delhi with average inflow of 7000-8000 bags. One rake (around 17000-18000 bags of wheat) is being loaded for South India from this state today. The rakes for wheat are being loaded everyday from Delhi; therefore the prices remained strongly at previous level. The government has received eight bids following a disappointing reaction to the previous tenders. Bid prices ranged between \$190 and \$237 per tonne, according to the government official. Wheat prices are unlikely to come down as the game is running beyond the control of the government and falling into the hands of multi-national companies which have started marginalizing the agencies like the Food Corporation of India. The higher cost of imported wheat also kept pressure on prices.

FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight down Wednesday in thin trading activity. The steady spot prices are bolstered the futures to remain steady. The futures market opened strong but fell down on early selling pressure and weakness in other commodity market and settled marginally down. The current import news of India did not impact on the futures market. Most active July contracts inched up Rs.1.20 at Rs.880.40 following strong opening at Rs.882.80 and traded in between Rs.878.00-883.80 Wednesday.

PRICE DRIVERS:

Bullish:

1. Regular constant demand from the South India and Maharashtra
2. Holding stocks by the farmers and MNCs

Bearish:

1. Received 8 Bids; Expected Price \$190-\$237/t
2. Stagnant demand from the MNCs, flourmills and stockists

WEATHER:

The revival of monsoon is likely to hinder on the arrival for next one to two days as monsoon is likely to strong within 48 hours in South India, Maharashtra, and North Eastern states.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	20.06.06	21.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	864-865	865-866	+1.00
Haryana (Karnal)	Wheat Mill quality	845-847	850-852	+5.00
Punjab (Khanna)	Wheat Mill quality	825-830	827-832	+2.00
Gujarat (Ahmedabad)	Wheat Mill quality	950-952	956-960	+6.00
Rajasthan (Kota)	Wheat Mill quality	975-977	970-975	-5.00
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	845-850	855-860	+10.00

TECHNICALS:

Short black body candlestick is hinting to indecisive market for the next day and %K line is 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 made bullish crossover with its MA in negative territory. Open interest increased while volume decreased. The prices are expected to remain weak following strong opening in the coming trading day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	870.1	867.5	880.4	887.7	890.2
August	897.6	892.1	903.2	910.5	912.9

TRADE RECOMMENDATION: (Intraday)

Sell July between 883-885 with target towards 877. Second target 873. Put stop loss at 888.

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