

WHEAT DAILY

29th JUNE, 2006

SPOT MARKETS:

Wheat prices observed upward tone at the domestic spot market of Delhi on reduced arrival Wednesday. The arrival from Haryana and U.P. remained very poor in Delhi. Therefore wheat data registered up at Rs.855-857/qlt with average inflow of 6000 bags at the Lawrence road in Delhi. The rake loading for South India is being stopped for the day due to no arrival at the station. However the other market continued to show bearish trend due to poor demand from the flourmills as well as stockists due to the government has allowed private buyers to import wheat as duty free. The government has ruled out on the plans to ban futures trading in agricultural commodities in the country. The dispute over a quality issue between Australia's AWB and India's State Trading Corporation (STC) have resolved now and the shipping programme involving almost 1 million metric tons of wheat is carrying on. The prices are likely to remain steady to slight up in the coming days.

FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight up due to strong spot prices at the Delhi market and speculative buying from lower level as the futures market are trading at mostly lower side. The market opened strong and traded within the range till mid half and settled at higher side. Most active July contract opened strong at Rs.831.20 and settled at Rs.828.40, down by Rs.5.00 and traded within the range of Rs.825.00 to 837.80 Wednesday.

PRICE DRIVERS:

Bullish:

1. Hoarding of Stocks by the Stockists
2. Restricted Arrival and Govt Ruled Out Ban on Futures Trading on wheat

Bearish:

1. Govt Allows Private Traders to Import Wheat as Duty Free
2. Wheat Import: Dispute Resolved; Shipping to Start

WEATHER:

The moderate monsoon activity in Western side is expected to hinder on the arrival in near future as monsoon is strongly improving in this region and other parts.

TECHNICALS:

Candlestick showing slightly bearish tone. While %K line is above to the %D line in normal region. Prices closed far below than the 9-days and 18-days EMA, while MACD is in negative territory. Open interest slightly decreased but volume increased. The sentiment is likely to remain firm following a steady to firm opening with possibility of late downwards movement in the coming trading day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	823.0	817.6	828.4	835.8	843.2
August	838.7	829.4	848.0	858.5	869.6

TRADE RECOMMENDATION: (Intraday)

Buy July between 818-822 with target towards 834.5 and Second target 842.5. Put stop loss at 811.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	27.06.06	28.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	850-852	855-857	+5.00
Haryana (Karnal)	Wheat Mill quality	830-835	830-835	-
Punjab (Khanna)	Wheat Mill quality	805-810	805-810	-
Gujarat (Ahmedabad)	Wheat Mill quality	930-935	940-945	+10.00
Rajasthan (Kota)	Wheat Mill quality	965-970	957-962	-8.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	880-885	878-883	-2.00
Madhya Pradesh (Indore)	Wheat Mill quality	900-920	905-925	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	840-845	840-845	-

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