

## WHEAT DAILY

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

### SPOT MARKETS:

The market remains sideways for the wheat at the end Thursday following steady market from several days at most of the market. Wheat dara prices quoted up to Rs.858-860/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 while total arrival witnessed at 20000-22000 bags in Delhi and According to the traders at Delhi, two rakes have been loaded for south India today. The continuous rake loading from Delhi kept the prices on steady at higher side during the week. The demand from the flourmills and chakki mills witnessed restrained around the country. The government announced wheat imports by the private sector under duty free, to arrest spiraling prices and also cuts import duty to 5 % on wheat to control inflation. Therefore the prices slightly fell down at some pockets at the weekend. Traders are expecting that the prices will be tumble down at the spot as the stockists and farmers might be release their socks. The stockists are eyeing on the monsoon as the monsoon get strong they might be release their huge stocks at the spot market. India has finalized deals with five international bidders to import 2.2 million tonnes of wheat, which is also keeping pressure on prices. 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.825.00 and settled at Rs.832.00, up by Rs.1.60 and traded within the range of Rs.820.00 to 836.00 Thursday.

### PRICE DRIVERS:

#### Bullish:

1. Hoarding of Stocks by the Stockists
2. Steady demand from the flourmills

#### Bearish:

1. Govt Allows Private Traders to Import Wheat as Duty Free
2. Wheat Import: Dispute Resolved; Shipping to Start
3. Govt cuts import duty to 5 % on wheat to control inflation

### 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 bullish tone. While %K line is above to the %D line and moving upward. Prices closed far below than the 9-days and 18-days EMA, while MACD is in negative territory but slightly bearish. 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	815.6	810.3	832.0	848.6	855.3
August	842.1	831.4	852.8	859.7	866.6

### TRADE RECOMMENDATION: (Intraday)

**Buy July** between 825-830 with target towards 841.5 and Second target 848.5. Put stop loss at 818.

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

Markets	Variety	28.06.06	29.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	855-857	858-860	+3.00
Haryana (Karnal)	Wheat Mill quality	830-835	830-835	-
Punjab (Khanna)	Wheat Mill quality	805-810	808-813	+3.00
Gujarat (Ahmedabad)	Wheat Mill quality	940-945	930-935	-10.00
Rajasthan (Kota)	Wheat Mill quality	957-962	950-955	-7.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	878-883	878-883	-
Madhya Pradesh (Indore)	Wheat Mill quality	905-925	905-925	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	840-845	840-845	-

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