

WHEAT DAILY

13th JUNE, 2006

SPOT MARKETS:

Wheat prices witnessed slight up at the domestic spot market Monday with steady demand coupled with lower arrival. The rake loading from Delhi, Gujarat and U.P are still continuing which contributed some pressure on prices. Wheat dara mill quality offered almost range bound at Rs.864-866/qtl with average arrival of 7000-8000 bags at the Lawrence road mandi of Delhi. The considerable demand from South India kept pressure on wheat prices. The flourmills owners are buying wheat at higher prices despite the low demand for wheat products currently. The stockists are still hoarding the stocks as weakness in monsoon activity at major pockets. The MNCs have purchased wheat at some pockets at higher prices than the prevailing market prices.

FUTURES MARKETS:

NCDEX wheat futures continued to trade range bound Monday also on lackluster trading activity. The futures market opened steady but traded within the range. The steady to slight up spot market prices also supported the futures market. The speculators are still speculating that the prices would get down when the imported wheat would reach the port. Therefore they are not eager to buying wheat at the higher level. Most active July contracts settled inched down by Rs.0.60. at Rs.900.60 following steady opening at Rs.901 and traded in between Rs.900.60-903.20 Monday.

PRICE DRIVERS:

Bullish:

1. Restricted arrival
2. Considerable Demand from the South and flourmills
3. Buying support from the MNCs but few

Bearish:

1. Imported wheat expected to arrive within one to two months
2. Speculation of stocks releasing in the near future

WEATHER:

The arrival is not likely to hamper due to monsoon as the monsoon is expected to weak at the producing region.

TECHNICALS:

Doji candlestick body indicating to indecisive market while %K line remained below over the %D line and going to down in neutral region. Prices closed below both the 9-days and 18-days EMA indicating to downward price movement. MACD is steady in negative zone. Open interest and volume decreased. The prices are expected to remain range bound following steady to strong opening in the coming day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	897.5	894.4	900.6	904.3	907.8
August	924.7	920.5	926.2	929.8	931.5

TRADE RECOMMENDATION:

Sell July between 903-905 with target towards 899. Second target 895.5. Put stop loss at 906.5.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	10.06.06	12/06/06	Change
Delhi (Lawrence Road)	Wheat Mill quality	863-865	864-866	+1.00
Haryana (Karnal)	Wheat Mill quality	850-853	852-854	+2.00
Punjab (Khanna)	Wheat Mill quality	820-825	830-831	+10.00
Gujarat (Ahmedabad)	Wheat Mill quality	955-960	960-961	+5.00
Rajasthan (Kota)	Wheat Mill quality	980-985	985-990	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-903	902-905	+2.00
Madhya Pradesh (Indore)	Wheat Mill quality	960-970	962-972	+2.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	835-840	835-840	-

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