

WHEAT DAILY

19th JUNE, 2006

SPOT MARKETS:

The sentiment for wheat market is witnessed range bound with steady Saturday due to dull trading activity coupled with stable demand supply scenario. The weak demand is offsetting the weak arrival therefore the prices are remaining constant at most part of the country. Wheat dard prevails at constant rate of Rs.865/qrtl at the Lawrence road in Delhi with average inflow of 9000-10000 bags while total arrival was around 35000-40000 bags. One rake has loaded today for south India at the rate of 868/qrtl from Delhi, said traders. The weakness in monsoons restricted the prices at steady level in Punjab and Haryana following Friday's losses. Kota and Bundi mandi in Rajasthan remained weak despite the buying support from the MNCs. The reason for the downtrend in wheat is that market is getting weak support from local stockists. However the prices get increased to Rs.5-7/qrtl at Maharashtra mandis on weak arrival.

FUTURES MARKETS:

NCDEX wheat futures slipped further on Saturday on thin trading activity amidst almost steady spot prices and weakness in buying pressure. The futures market traded range bound with slight down following steady opening through out the trading period. The news of substitute wheat with coarse cereals to reduce the import also supported the futures market to down. The bears are dominated the market. Most active July contracts slid by Rs.2.40 at Rs.876 following steady opening at Rs.878.00 and traded in between Rs.873-879 while near month June contract slipped by Rs.3.80 at Rs.846 and traded in between Rs.844-849.40 Saturday.

PRICE DRIVERS:

Bullish:

1. Continuous Rake loading for South India
2. Hoarding the stocks by the stockists and MNCs

Bearish:

1. India considering substitute wheat with coarse cereals
2. Poor demand from the MNCs, flourmills and stockists
3. Moistened grains in Punjab and Haryana

WEATHER:

Heavy rainfall might be hindering the arrival and moistened the grains while isolated heavy rainfall is likely over northeastern States, Kerala, and Coastal Karnataka. Rainfall activity is likely over South Peninsula, Konkan and Goa and Madhya Maharashtra is likely to increase.

TECHNICALS:

Short body like doji candlestick with medium lower shadow is hinting to bearish price movement for the next day while %K line is going to up following bullish crossover with its %D line from down in neutral region. Prices settled far below than the 9-days and 18-days EMA, indicating to downward price movement. MACD remained steady in negative zone. Open interest steady but volume decreased. The prices are likely to remain down following steady opening in the coming trading day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	870.3	865.5	876.0	880.3	885.7
August	896.3	891.5	902.0	905.5	910.5

TRADE RECOMMENDATION: (Intraday)

Sell July between 876-879 with target towards 870. Second target 867. Put stop loss at 883.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	16.06.06	17.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	864-865	864-865	-
Haryana (Karnal)	Wheat Mill quality	851-853	850-852	-1.00
Punjab (Khanna)	Wheat Mill quality	825-830	825-830	-
Gujarat (Ahmedabad)	Wheat Mill quality	950-955	947-950	-3.00
Rajasthan (Kota)	Wheat Mill quality	985-990	980-985	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-903	900-903	-
Madhya Pradesh (Indore)	Wheat Mill quality	950-960	950-960	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	848-852	850-855	+2.00

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