

WHEAT DAILY

12th JUNE, 2006

SPOT MARKETS:

Wheat prices witnessed almost steady to slight down at the domestic spot market Saturday on steady demand with moderate arrival. The stockists are releasing their stocks but too some extent. The rake loading from Delhi, Gujarat and U.P are still continuing which contributed some pressure on prices. Wheat dar mill quality remained steady at Rs.863-865/qrtl with aveage arrival of 9000-10000 bags at the Lawrence road mandi of Delhi. Traders said, the signifaicant demand of South India might be pushed up the prices in near future. 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 sentiment remained slight weak in Punjab, Gujarat and Some pockets of U.P. on reducing demand from the MNCs and releasing stocks by the marginal stockists. The other market witnessed steady prices. The wheat prices are likely to trade steady to slight down in the coming day.

FUTURES MARKETS:

NCDEX wheat futures traded range bound Saturday on lacklustre trading activity. The futuresarket opened strong but remained within the range. The steady spot market prices also supported the futues market. The speculators are speculating that the prices would come down at the time of arrival of imported wheat. Therefore they are not eager to buying wheat at the higher level. Most active July contracts settled slight up by Rs.2.40. at Rs.901.00 following strong opening at Rs.901 and traded in between Rs.899-902.40 Saturday.

PRICE DRIVERS:

Bullish:

1. Cutting of wheat quota and hike the prices under PDS scheme
2. Significant Demand from the South

Bearish:

1. Weak buying support from the MNCs
2. Imported wheat expected to arrive within one to two months
3. Speculation of stocks relaesing in the near future
4. **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 going to down in negative zone. Open interest and volume decreased. The prices are expected to remain bearish following steady to strong opening in the coming trading day.



SUPPORT / RESISTANCES:

| Month | S1 | S2 | PCP | R1 | R2 |
|--------|-------|-------|-------|-------|-------|
| July | 898.5 | 895.4 | 901.0 | 904.5 | 907.3 |
| August | 924.7 | 920.5 | 925.8 | 928.8 | 931.5 |

TRADE RECOMMENDATION:

Sell July between 903-905 with target towards 897.4. Second target 895.5. Put stop loss at 907.5.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

| Markets | Variety | 9.06.06 | 10.06.06 | Change |
|--------------------------|--------------------|---------|----------|--------|
| Delhi (Lawrence Road) | Wheat Mill quality | 863-865 | 863-865 | - |
| Haryana (Karnal) | Wheat Mill quality | 850-853 | 850-853 | - |
| Punjab (Khanna) | Wheat Mill quality | 825-830 | 820-825 | -5.00 |
| Gujarat (Ahmedabad) | Wheat Mill quality | 960-962 | 955-960 | -5.00 |
| Rajasthan (Kota) | Wheat Mill quality | 985-987 | 980-985 | -5.00 |
| Uttar Pradesh (Kanpur) | Wheat Mill quality | 900-903 | 900-903 | - |
| Madhya Pradesh (Indore) | Wheat Mill quality | 960-970 | 960-970 | - |
| Uttar Pradesh (Bareilly) | Wheat Mill quality | 835-840 | 835-840 | - |

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