

WHEAT DAILY

3rd JUNE, 2006

SPOT MARKETS:

Wheat spot prices plummeted down slightly on Friday at most of the mandis like Delhi, Maharashtra etc. amidst improving in arrival at the Lawrence road in Delhi. wheat dara mill quality has quoted slight down at Rs.855-857/mtl with an inflow of 7000-8000 bags. The demand from the flourmills is witnessed almost steady. At Narela and Najafgarh mandis it registered at Rs.795-805/mtl with arrival of around 10,000 Bags. The sentiments remained steady to slight up at other markets on equalized demand supply. The government approved to import of 8 lakh Mt from abroad and likely to float another tender for remaining portion, which had little impact on prices.

FUTURES MARKETS:

Wheat July futures today opened firm, but set out moving downward soon after beginning of the session. Futures bottomed out within 5 minutes, but sprang up back into positive zone and seldom turned red in the remaining session. Futures set day's high before noon and kept floating high all through the remaining session. Wheat July contract ended the day up Rs 9.80 at Rs 907.20 per mtl.

PRICE DRIVERS:

Bullish:

1. Restricted Arrival
2. Govt Wheat Procurement Slips 34% at 9.21 MMt
3. India's Wheat Import Inducing Global Prices to Firm

Bearish:

1. Restricted buying activity by the MNCs and stockists
2. Rains in the southern parts of the country inducing quality deterioration

WEATHER:

There is no impact of weather as the harvest has completed at most of the states.

TECHNICALS:

White candlestick body has formed 'short day' pattern. Prices closed below both the 9-days and 18-days EMA. MACD is in negative zone. %K line is running above %D line, but still is in oversold zone



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	868.5	863.4	869.2	877.7	881.86
July	898.2	889.2	897.4	913	918.8

TRADE RECOMMENDATION:

Buy July at 907 with target towards 909.50.
Second target 911. Put SL at 905.50

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	1.06.06	2.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	858-860	855-857	-3.00
Haryana (Karnal)	Wheat Mill quality	853-857	849-852	-4.00
Punjab (Khanna)	Wheat Mill quality	820-825	826-831	+6.00
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	945-950	-
Rajasthan (Kota)	Wheat Mill quality	977-982	979-984	+2.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	913-917	904-909	-9.00
Madhya Pradesh (Indore)	Wheat Mill quality	950-955	933-938	-17.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	825-830	837-842	+12.00

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