

WHEAT DAILY

28th JUNE, 2006

SPOT MARKETS:

Wheat prices observed upward tone at the domestic spot market of Delhi and Rajasthan on reduced arrival Tuesday. The arrival from Haryana and U.P. remained very poor in Delhi. Therefore wheat dara registered up at Rs.850-852/qttl with average inflow of 3000-4000 bags at the Lawrence road in Delhi. The rake loading for South India is being stopped for the day due to no arrival at the station. However the other market continued to show bearish trend due to poor demand from the flourmills as well as stockists due to the government has allowed private buyers to import wheat as duty free. The Himachal Pradesh government proposes to import nearly 38,000 metric tonnes (Mt) of wheat for the state due to poor stocks to the government. The government has ruled out on the plans to ban futures trading in agricultural commodities in the country. The dispute over a quality issue between Australia's AWB and India's State Trading Corporation (STC) have resolved now and the shipping programme involving almost 1 million metric tons of wheat is carrying on. 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 and settled at Rs.834.20, up by Rs.10.00 and traded within the range of Rs.822.20 to 834.20 Tuesday.

PRICE DRIVERS:

Bullish:

1. Hoarding of Stocks by the Stockists
2. Restricted Arrival and Govt Ruled Out Ban on Futures Trading on wheat

Bearish:

1. Govt Allows Private Traders to Import Wheat as Duty Free
2. H.P. Proposes to Import of 38000 Mt of Wheat
3. Wheat Import: Dispute Resolved; Shipping to Start

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.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	26.06.06	27.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	840-842	850-852	+10.00
Haryana (Karnal)	Wheat Mill quality	840-842	830-835	-10.00
Punjab (Khanna)	Wheat Mill quality	810-815	805-810	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	930-935	930-935	-
Rajasthan (Kota)	Wheat Mill quality	955-960	965-970	+10.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	890-895	880-885	-10.00
Madhya Pradesh (Indore)	Wheat Mill quality	900-920	900-920	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	843-847	840-845	-3.00

TECHNICALS:

Candlestick showing bullish tone. While %K line is going to up to intersect the %D line in normal region. Prices closed far below than the 9-days and 18-days EMA, while MACD is in negative territory. Open interest steady but volume decreased. The sentiment is likely to remain firm following strong opening in the coming trading day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	826.2	818.2	824.4	838.2	842.2
August	850.4	841.9	846.6	863.2	867.5

TRADE RECOMMENDATION: (Intraday)

Buy July between 830-834 with target towards 842.5. Second target 845.5. Put stop loss at 825.

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