

WHEAT DAILY

8th JUNE, 2006

SPOT MARKETS:

Wheat prices got steady to slight up at most of the domestic spot market in India Wednesday on releasing the stocks by the marginal stockists and steady demand with lower arrival while moderate buying activity by the MNCs kept pressure at Gujarat, Punjab and MP. Wheat dara mill quality traded steady at Rs.860-862/mtl with inflow of 7000-8000 bags at the Lawrence road. The rake loading for South India and Assam is still continuing and which support the prices to up. The one rake was loaded on Tuesday from Delhi and two rake will be loaded in this week from UP (Etha) and Delhi. The demand from South is promising. The cut in PDS wheat quota and increase in PDS wheat prices are also kept pressure on prices. The market is expected to remain firm in the coming days also.

FUTURES MARKETS:

NCDEX wheat futures observed a rangebound trade Wednesday and settled slight down in thin trading activity, as the volume remained weak. The futures market witnessed bearish following strong opening but slight up spot market price inducing to prices slight up but did not sustained and fell down at the end hour. The cut in PDS wheat quota and increase in PDS wheat prices are also kept pressure on prices at mid hour. Most active July contracts settled slight down by Rs.2.20 at Rs.911 following strong opening at Rs.914.60 and traded in between Rs.910-916.

PRICE DRIVERS:

Bullish:

1. Govt Considering a Hike in PDS Wheat Prices
2. Govt Cutting The Quota Of PDS Wheat
3. Delay of Wheat Import
4. Weakness in Monsoon Inducing Hoarding the Stocks

Bearish:

1. Releasing Stocks by the Marginal Stockists But Few
2. Wheat Import Tender Likely to Float in 1-2 Weeks

WEATHER:

The arrival is unlikely to hamper on arrival as the monsoon is expected to weak at the producing region.

TECHNICALS:

Candlestick showing indecision market. Prices settled slight below both the 9-days and 18-days EMA indicating to slight bearish price movement. MACD is going to positive from negative zone. %K line is running above %D line and prevailed in neutral region. Open interest increased but volume decreased. The prices are expected to trade bullish following steady to weak opening in the coming day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	873.0	871.0	876.0	878.5	881.2
July	908.6	906.3	911.0	915.2	918.3

TRADE RECOMMENDATION:

Buy July between 906-908 with target towards 915.0. Second target 918.0. Put stop loss at 902.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	6.06.06	7.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	860-862	-
Haryana (Karnal)	Wheat Mill quality	850-852	850-852	-
Punjab (Khanna)	Wheat Mill quality	825-830	830-835	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	950-955	+5.00
Rajasthan (Kota)	Wheat Mill quality	972-977	972-977	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	897-902	900-905	+3.00
Madhya Pradesh (Indore)	Wheat Mill quality	960-970	965-975	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	850-855	840-845	-10.00

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