

WHEAT DAILY

01st JULY, 2006

SPOT MARKETS:

The market remains sideways to slightly bullish for the wheat today. Wheat dara prices quoted up to Rs.860-862/qlt at the Lawrence road in Delhi. According to the traders, the arrival is steady at this mandis however the total inflow is remained weak in Delhi while total arrival witnessed at 15000-18000 bags in Delhi and According to the traders at Delhi, one rake again has been loaded for south India today. The continuous rake loading from Delhi kept the prices on steady at higher side during the week. The demand from the flourmills and chakki mills witnessed improved slightly around the country. The government announced wheat imports by the private sector under duty free, to arrest spiraling prices and also cuts import duty to 5 % on wheat to control inflation, though traders believed that landed cost of imports will be the same as local prices. Traders are expecting that the prices will be tumble down at the spot as the stockists and farmers might be release their socks. The stockists are eyeing on the monsoon as the monsoon get strong they might be release their huge stocks at the spot market. The prices are likely to remain steady to slight up in the coming days.

FUTURES MARKETS:

NCDEX wheat futures traded slightly bullish due to strong spot prices at the Delhi market and speculative buying from lower level as the futures market is 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.835.00 and settled at Rs.843.40, up by Rs.10.00 and traded within the range of Rs.831.60 to 845.00 Friday.

PRICE DRIVERS:

Bullish:

1. Hoarding of Stocks by the Stockists
2. Steady demand from the flourmills

Bearish:

1. Govt Allows Private Traders to Import Wheat as Duty Free
2. Wheat Import: Dispute Resolved; Shipping to Start
3. Govt cuts import duty to 5 % on wheat to control inflation

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.

TECHNICALS:

Candlestick showing bullish tone, which is supported by stochastic. Prices closed below the 18-days and touching 9-days EMA, which is slightly bearish. MACD is in negative territory but slightly bullish. Open interest and volume slightly decreased. The sentiment is likely to remain firm following a steady to firm opening and some tentativeness can be seen at higher level.

WHEAT/DELHI/01JUL/2006/08:30 - CWH 9:43.00 A 844.00
O 835.00 H 845.00 L 832.40 C 843.40 V 27,800 I 81,790 +11.4
EMA(9) 843.00 (18) 858.00



FOUR, 3, 31 29.6000 FSD 257534



MACD(12, 26, 9) 12.4257 MACD -12.8633



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	835.0	826.6	843.4	848.4	853.4
August	855.6	843.8	867.4	874.6	888.1

TRADE RECOMMENDATION: (Intraday)

Buy July above 839.8 with target towards 851 and Second target 857. Put stop loss at 832.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	29.06.06	30.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	858-860	860-862	+2.00
Haryana (Karnal)	Wheat Mill quality	830-835	830-835	-
Punjab (Khanna)	Wheat Mill quality	808-813	808-813	+3.00
Gujarat (Ahmedabad)	Wheat Mill quality	930-935	930-935	-
Rajasthan (Kota)	Wheat Mill quality	950-955	945-950	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	878-883	878-883	-
Madhya Pradesh (Indore)	Wheat Mill quality	905-925	905-925	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	840-845	840-845	-

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