

WHEAT DAILY

2nd JUNE, 2006

SPOT MARKETS:

Wheat spot prices plummeted down slightly on Thursday at most of the mandis like Delhi, Maharashtra, Kanpur 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 10000-12000 bags. The rake loading from Delhi for South India, Assam, Maharashtra is still continuing. Rains in MP and Gujarat affected the quality of wheat. The sentiment 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. According to the traders, these news might be increase the global wheat prices as well as domestic spot prices as the cost of imported wheat will be much more than that of prevailing market price.

FUTURES MARKETS:

Wheat futures at the NCDEX tumbled down on strong speculative selling and weak spot market price with import news. The futures market opened weak and traded moderately down through out the trading session. The market went to firm position on Wednesday but did not extend the early gains and fell down Thursday. The most active July contract plummeted down Rs.7.20 at Rs.898 following weak opening at Rs.903.20 and traded in between Rs.894.80-905.00 Thursday.

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:

The ongoing rainfall activity in southern parts and Gujarat is likely to deteriorate the quality.

TECHNICALS:

Candlesticks is indicating bearish market while Stochastic is moving to downward at oversold region, indicating bearish but MA is still prevailed upper side of price line and MACD is hinting to bearish ness of wheat prices and remained on negative zone. Open interest as well as volume decreased. It is likely to trade baerish following steady to weak opening in the coming day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	866.5	862.3	871.2	875.6	880.5
July	887.7	882.6	898.0	899.0	905.0

TRADE RECOMMENDATION:

Sell July contract between 899-903, **Target** towards 889.2 next 885.5, and put **Stop Loss** at 907.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	31.05.06	1.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	858-860	855-857	-
Haryana (Karnal)	Wheat Mill quality	853-857	850-853	-3.00
Punjab (Khanna)	Wheat Mill quality	820-825	825-830	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	945-950	-
Rajasthan (Kota)	Wheat Mill quality	977-982	980-985	+3.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	913-917	905-910	-8.00
Madhya Pradesh (Indore)	Wheat Mill quality	950-955	935-940	-15.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	825-830	835-840	+10.00

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