

WHEAT DAILY

16th JUNE, 2006

SPOT MARKETS:

Wheat prices continued to remain at previous level in Delhi, Punjab and Rajasthan mandis on dull trading activity. The demand from the flourmills witnessed considerable despite slight higher arrival Thursday. Therefore the prices remained steady to range bound at this region. The rake of around 10000-11000 bags is loaded from Delhi for Britannia today, according to source. The significant demand for wheat in South India kept the prices on steady side. Wheat dara witnessed steady at Rs.864-866/qrtl with average arrival of 10000-11000 bags at the Lawrence road in Delhi. However the prices got down by Rs.5-15/qrtl in M.P., Gujarat, Maharashtra and Bareilly market on weak buying activity by the flourmills and private buyers like MNCs. The weaker monsoon activity encouraged the stockists to hold their stocks and therefore they are eyeing on prices increase in near future.

FUTURES MARKETS:

NCDEX wheat futures moved up on Thursday amidst buying support from lower level and technical correction as the market went to oversold region. The futures prices are lagged behind the spot prices therefore the speculators are buying wheat at this level. Therefore wheat futures opened mostly strong and went to down but late speculative buying pushed up the wheat futures and settled in positive territory. The strength at Sensex also supported the commodities market to up. Most active July contracts settled up by Rs.4.80. at Rs.880.20 following strong opening at Rs.879.80 and traded in between Rs.871.40-880.20 Thursday.

PRICE DRIVERS:

Bullish:

1. Stockists hoarding the stocks and weak monsoon
2. Wheat production lagging behind the consumption

Bearish:

1. Govt. floated a import tender of 22 lakh tonnes of wheat
2. Weak buying support from the MNCs and flourmills
3. Flour mills demanded duty free import of wheat

WEATHER:

Continuous weak monsoon activity is unlikely to hinder the arrival to the market. Therefore the marginal stockists are expected to hold their stocks.

TECHNICALS:

Doji candlestick with long lower shadow is hinting to upward movement for the next day while %K line is going to up following intersect the %D line from down in oversold region. Prices settled far below than the 9-days and 18-days EMA, hinting to bearish movement. MACD is going to down in negative zone. Open interest increased and volume decreased. The prices are likely to trade bullish following steady to strong opening in the coming trading day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	871.7	867.3	880.2	887.7	891.9
August	899.0	894.5	905.4	912.9	918.5

TRADE RECOMMENDATION:

Buy July between 877-880 with target towards 887.7. Second target 890.5. Put stop loss at 871.4.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	14.05.06	15.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	864-865	864-865	-
Haryana (Karnal)	Wheat Mill quality	851-853	853-855	+2.00
Punjab (Khanna)	Wheat Mill quality	827-830	827-830	-
Gujarat (Ahmedabad)	Wheat Mill quality	955-960	950-955	-5.00
Rajasthan (Kota)	Wheat Mill quality	985-990	985-990	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-903	907-910	+7.00
Madhya Pradesh (Indore)	Wheat Mill quality	955-960	945-955	-10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	845-850	843-845	-2.00

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