

## WHEAT DAILY

21<sup>st</sup> JUNE, 2006

### SPOT MARKETS:

The wheat dara mill quality has been quoting at Rs.865-866/qrtl since several days on dull trading activity at the Lawrence road in Delhi. The demand is stagnant from the flourmills and chakki mills at Delhi mandis. The arrival is also steady. One rake of wheat is being loaded today for South India from Delhi at the price of Rs.868-870/qrtl. The most of the market has observed steady to slight down Tuesday. MNCs are purchasing wheat in Rajasthan mandis only. The market did not see any further improvement of wheat prices in near future as the stockists might be release the stocks if monsoon gets strong within two to three days therefore the arrival pressure might be pulled down the prices. Due to dull demand coming from flourmills, wheat has been quoting steady to down, as well as weak futures trend on NCDEX has been making an impact. The significant demand from the south India and Maharashtra are only providing support to the market. Glencore, Cargill, Toepfer are the bidders for STC tender of 22 lakh MT while STC received eight bids from the global market, which might be affected on the wheat prices.

### FUTURES MARKETS:

NCDEX wheat futures remained volatile Tuesday. The June contracts has expired Tuesday. The futures market traded bullish after weak opening amidst short covering but profit booking at higher level pulled down the prices from higher level. The open interest for June delivery was mostly above than the actual delivery intention. Therefore short covering pushed up the prices at early hours. Most active July contracts increased Rs.6.40 at Rs.879.60 following weak opening at Rs.872.40 and traded in between Rs.872.40-885.00 Tuesday.

### PRICE DRIVERS:

#### Bullish:

1. Only demand from the South India and Maharashtra
2. Continue stocks holding by the stockists and MNCs

#### Bearish:

1. Impact of wheat import and downward trend of futures market
2. Dull demand from the MNCs, flourmills and stockists
3. Dispute of 5-Lt wheat import likely to resolve soon

### WEATHER:

The present weak monsoon is unexpected to hinder on the arrival for next one to two days but monsoon is likely to strong within 48 hours in South India, Maharashtra, and North Eastern states.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.06.06	20.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	864-865	864-865	-
Haryana (Karnal)	Wheat Mill quality	845-850	845-847	-
Punjab (Khanna)	Wheat Mill quality	825-830	825-830	-
Gujarat (Ahmedabad)	Wheat Mill quality	947-952	950-952	+3.00
Rajasthan (Kota)	Wheat Mill quality	980-985	975-977	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-903	900-903	-
Madhya Pradesh (Indore)	Wheat Mill quality	955-965	955-965	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	860-862	845-850	-15.00

### TECHNICALS:

White body candlestick is hinting to strong ness of wheat prices for the next day and %K line is going to up following made a bullish crossover with its %D line from down in neutral region. Prices settled below than the 9-days and 18-days EMA, indicating to further downward price movement. MACD remained steady in negative territory. Open interest and volume increased. The prices are likely to remain volatile following strong opening in the coming trading day.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	872.3	867.5	879.6	890.8	895.8
August	897.6	892.1	905.4	914.3	919.9

### TRADE RECOMMENDATION: (Intraday)

**Sell July** between 884-886 with target towards 872.5. Second target 870.1. Put stop loss at 892.

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