

## WHEAT DAILY

17<sup>th</sup> JUNE, 2006

### SPOT MARKETS:

A range bound with steady undertone is witnessed at Delhi, Gujarat and Rajasthan mandis Friday. The steady demand supply condition has been keeping the market constant since couple of days in Delhi. Wheat dara got registered at Rs.865-866/qrtl with average arrival of 7000-8000 bags Friday at the Lawrence road. The rake of wheat for South India is being loaded today too from Delhi, Rajasthan and Punjab. The demand from the flourmills and chakki mills showed significant however the stockist's demand was very negligible. However the prices curbed down in Punjab and Haryana mandis due to rain, which hindered the arrival and moistened the grains and fetched lower prices. India is currently considering a suggestion to sale coarse cereals in place of wheat to cut wheat imports, as the import is a very time consuming process and also low stocks of wheat to the government.

### FUTURES MARKETS:

NCDEX wheat futures fell down at the second half in thin trading activity. The steady to slight down spot market prices also kept pressure on the futures market. The futures market traded range bound to slight up following weak opening till mid day but selling pressure at higher level pulled down the prices some how. At early hour, the strength at the Sensex supported the commodities market to up. The news of substitute wheat with coarse cereals to reduce the import also supported the futures market. Most active July contracts settled inched up by Rs.0.60. at Rs.880 following weak opening at Rs.878.20 and traded in between Rs.876.40-884.00 Friday.

### PRICE DRIVERS:

#### Bullish:

1. Rake loading for South India from Delhi, Punjab etc.
2. India Expected to be Major Wheat Buyer in 06-07

#### Bearish:

1. India Considering Substitute Wheat with Coarse Cereals
2. Weak buying support from the MNCs and flourmills
3. Rains in Punjab, Maharashtra, Haryana

### WEATHER:

Heavy rainfall might be hindering the arrival and moistened the grains while isolated rainfall is likely over northeastern States, Kerala, and Coastal Karnataka. Rainfall activity is likely over South Peninsula, Konkan and Goa and Madhya Maharashtra is likely to increase.

### TECHNICALS:

Doji candlestick with long upper shadow is indicating to downward price movement for the next day while %K line is going to up following bullish crossover with its %D line from down in almost neutral 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 but volume decreased. The prices are expected to remain bearish following steady to strong opening in the coming trading day.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	872.2	867.0	880.0	881.5	886.6
August	895.5	890.1	904.0	907.5	913.9

### TRADE RECOMMENDATION:

**Sell July** between 882-885 with target towards 875.0. Second target 871. Put stop loss at 890.

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

Markets	Variety	15.06.06	16.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	864-865	864-865	-
Haryana (Karnal)	Wheat Mill quality	853-855	851-853	-2.00
Punjab (Khanna)	Wheat Mill quality	827-830	825-830	-2.00
Gujarat (Ahmedabad)	Wheat Mill quality	950-955	950-955	-
Rajasthan (Kota)	Wheat Mill quality	985-990	985-990	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	907-910	900-903	-7.00
Madhya Pradesh (Indore)	Wheat Mill quality	945-955	950-960	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	843-845	848-852	+5.00

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