

WHEAT DAILY

10th JUNE, 2006

SPOT MARKETS:

It is witnessed that the wheat prices improved slightly at the domestic spot market in Delhi and Rajasthan Friday on meager arrival and steady demand. The rake loading for South India is still pressurizing on prices. The flourmills owners are buying wheat at higher prices despite the low demand for wheat products currently. The stockists are still hoarding the stocks as weakness in monsoon activity at major pockets. Wheat dara mill quality got traded up at Rs.863-865/qtl with restricted arrival of 6000-7000 bags at the Lawrence road in Delhi while total inflow was 30000-35000 bags today. But the sentiment remained slight weak in Punjab and Some pockets of U.P. on reducing demand from the MNCs and releasing stocks by the marginal stockists. The other market witnessed steady prices. The wheat prices are likely to trade steady to slight up in the coming day.

FUTURES MARKETS:

NCDEX wheat futures traded bearish Friday on speculative selling and losses in outside markets and speculation of price decrease at the time of arrival of imported wheat. The futures market traded almost bearish following weak opening amidst sharp decline in the sensex and other markets. Most active July contracts settled down by Rs.6.20. at Rs.898.40 following weak opening at Rs.902 and traded in between Rs.896-904.

PRICE DRIVERS:

Bullish:

1. Cutting of wheat quota and hike the prices under PDS scheme
2. Significant Demand from the South

Bearish:

1. Reduced buying activity by the MNCs
2. Imported wheat likely to come soon
3. Speculation of price decline in the coming months

WEATHER:

The arrival is not likely to hamper due to monsoon as the monsoon is expected to weak at the producing region.

TECHNICALS:

Short black candlestick body indicating to downward price movement while %K line made a bearish cross over with the %D line from up and prevailed in neutral region. Prices closed below both the 9-days and 18-days EMA indicating to downward price movement. MACD is going to positive from negative zone. Open interest increased but volume decreased. The prices are expected to remain bearish following steady to weak opening in the coming day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	862.0	855.0	869.6	874.0	878.0
July	894.0	890.0	898.4	903.0	907.0

TRADE RECOMMENDATION:

Sell July between 899-902 with target towards 893. Second target 890. Put stop loss at 905.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	8.06.06	9.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	863-865	+3.00
Haryana (Karnal)	Wheat Mill quality	850-853	850-853	-
Punjab (Khanna)	Wheat Mill quality	830-835	825-830	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	960-962	960-962	-
Rajasthan (Kota)	Wheat Mill quality	980-985	985-987	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-905	900-903	-
Madhya Pradesh (Indore)	Wheat Mill quality	960-970	960-970	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	845-847	835-840	-10.00

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