

WHEAT DAILY

26th JUNE, 2006

SPOT MARKETS:

Wheat prices sharply fell down at the spot market in the country Saturday. Traders said that the weak prices is mainly due to the cabinet's decision to allow the private players for wheat import, which pushed the buyers out of the buying despite the farmers and sellers are also in no motive to sell their stocks. Therefore arrival has decreased but it did not restrict the prices at upper level and it fell down. The demand from the South India is also decreasing. Wheat dara stumble down to Rs.840-845/qrtl at Lawrence road in Delhi with steady arrival of 10000-12000 bags. One rake is loading for South India from Delhi at Rs.865/qrtl. Wheat prices also got down to Rs.1030-1035/qrtl at Bangalore mandis with lack of demand. The weakness at the futures market also pushed the spot market to negative side. The imported wheat cost is much lower at Rs.1000-1050/qrtl; therefore a further decline however seems a distant possibility.

FUTURES MARKETS:

NCDEX wheat futures remained volatile Saturday. The market opened weak and went to mostly lower position and making new contract low but buying pressure and some profit booking pushed up the prices to higher level and settled slight higher side. The technical correction also supported the futures to up as the market went to oversold condition. Most active July contract opened weak at Rs.825 and settled at Rs.829, up by Rs.1.40 and traded within the range of Rs.812.20-835.00 and made new contract low at Rs.812.20 Saturday.

PRICE DRIVERS:

Bullish:

1. Poor stock of wheat to the Govt

Bearish:

1. NCDEX Imposes 10% Margin for All Wheat Contracts
2. Govt Allows Private Traders to Import Wheat as Duty Free
3. US Exporters Witnessed Bidding in STC Wheat Import Tender
4. Rumor of Stock Limit to the Private Stockists

WEATHER:

The coming strong monsoon is expected to hinder on the arrival in near future as monsoon is strongly improving in South India, Maharashtra, Gujarat, and North Eastern states.

TECHNICALS:

Short white candlestick with long lower shadow is indicating to upward prices for the next day while %K line remained below over %D line following making a bearish crossover from up in oversold region. Prices closed far below than the 9-days and 18-days EMA, indicating to further downward price movement while MACD is sharply going to down following made a bearish cross over from up in negative territory. Open interest was steady but volume decreased. The sentiment is likely to remain strong initially following strong opening in the coming trading day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	812.2	805.5	829.0	846.0	855.6
August	834.0	825.5	851.4	865.2	879.5

TRADE RECOMMENDATION: (Intraday)

Sell July between 830-835 with target towards 820. Second target 816.5. Put stop loss at 841.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	23.06.06	24.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	855-860	840-845	-15.00
Haryana (Karnal)	Wheat Mill quality	845-850	835-837	-10.00
Punjab (Khanna)	Wheat Mill quality	820-825	810-815	-10.00
Gujarat (Ahmedabad)	Wheat Mill quality	947-952	920-925	-27.00
Rajasthan (Kota)	Wheat Mill quality	965-970	965-970	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-903	890-895	-10.00
Madhya Pradesh (Indore)	Wheat Mill quality	930-935	900-920	-30.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	845-850	840-845	-5.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.