

WHEAT DAILY

5th JUNE, 2006

SPOT MARKETS:

The market sentiment for wheat is firming up due to lower arrival coupled with increasing demand from MNCs at some pockets. Therefore wheat prices soared up by Rs.5-15/qrtl at some mandis and it remained steady at other mandis. Wheat dara registered at steady at Rs.854-857/qrtl with steady inflow of 7000-8000 bags at the Lawrence road mandis in Delhi Saturday. Rain at some pockets hindered the arrival at the markets. The stockists are also hoarding the stocks. The demand from flourmills witnessed strong in UP mandis. MNCs were active in Rajasthan, Ahmedabad, Bhopal, Indore and some other markets. Government also said today that the wheat import might be increase to raise the stocks, which also kept pressure on prices. Traders are reported that the wheat prices are expected to firm in the coming week also as the arrivals are decreasing.

FUTURES MARKETS:

NCDEX wheat futures traded firm today following weak opening and recovered early losses amidst technical correction as the market went to oversold condition. The import news of wheat and strong physical market price also provided some underlying support. The futures market opened weak and traded bearish at the early hour but moved up afterwards and settled below its Saturday's highest level. July contract closed up Rs 5.60 at Rs.913 following weak opening at Rs.904.40 and hovered in between Rs.904.00-915.60 Saturday.

PRICE DRIVERS:

Bullish:

1. Decreasing arrival amidst monsoon
2. Imported wheat likely to arrive delay
3. Cost of imported wheat much more than present price

Bearish:

1. Moderate buying activity by the MNCs and stockists
2. Weak wheat products demand

WEATHER:

The arrival is likely to not hamper due to rain as the rainfall activity is expected to decrease at northern region.

TECHNICALS:

White candlestick body is indicating to bullish sentiment. Prices closed below both the 9-days and 18-days EMA indicating to bearishness. MACD made bullish crossover from negative zone. %K line is running above %D line, but still is in oversold zone. Prices are likely to trade firm following steady to weak opening in the coming week.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
June	872.0	867.5	877.2	880.5	884.5
July	905.3	898.6	913.0	923.9	930.0

TRADE RECOMMENDATION:

Buy July between 908-911 with target towards 918.9. Second target 921.5. Put stop loss at 903.0.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	2.06.06	3.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	855-857	854-856	-1.00
Haryana (Karnal)	Wheat Mill quality	849-852	850-852	+1.00
Punjab (Khanna)	Wheat Mill quality	830-835	830-835	-
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	945-950	-
Rajasthan (Kota)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-905	905-910	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	933-938	945-950	+12.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	830-835	840-847	+10.00

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.