

WHEAT DAILY

24th JULY, 2006

SPOT MARKETS:

The prices for wheat got steady at higher level in Delhi, Haryana and Rajasthan mandis on stable demand supply scenario. The demand from the flourmills remained moderate as context of poor arrival. The lower arrival is kept pressure on prices. The stockists are still hoarding their stocks and likely to be release in festive months. Wheat dara prices quoted steady at Rs.880-882/qrtl at Lawrence road mandis with totalled inflow of 15000-20000 bags in Delhi on Saturday. However the market witnessed mostly strong in M.P., Punjab and Gujarat mandis due to negligible arrival coupled with sturdy demand from the flourmills. According to the source, the government run trading house MMTC Ltd. had received four bids for their wheat import tender of 25000-50000 tonnes in the previous week and the all four bids have technically qualified now. The prices bid would be evaluated. The union government of India has not issued any permits as no application has been received so far by the PPQ (Plant Protection and Quarantine) authority, according to the senior official. He told that the permission from the Directorate of Plant Protection, Quarantine and Storage is necessary for wheat imports.

FUTURES MARKETS:

NCDEX wheat futures traded bearish amidst speculative selling though some profit booking at lower level pushed up the prices end hour. The steady to up spot prices provided underlying support to the futures market. The futures market opened strong and fell down but settled above from today's lower level. Most active August contract opened up at Rs.858.80 and settled at Rs.850.40, down by Rs.7.60 and traded within the range of Rs.845.60-858.80.

PRICE DRIVERS:

Bullish:

1. Sluggish Arrival
2. Sturdy Demand from Flourmills, South India and Maharashtra
3. Minister: Ruled Out to Cut Wheat Import Duty from 5%

Bearish:

1. MMTC Wheat Tender: All Four Bids Technically Qualified
2. Speculation of Stocks Releasing by the Stockists

WEATHER:

Isolated heavy to very heavy falls also likely over Madhya Pradesh, Konkan & Goa, Madhya Maharashtra, Gujarat and East Rajasthan. Therefore arrival at the market vards might be affected.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	21.07.06	22.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	880-885	880-882	-
Haryana (Karnal)	Wheat Mill quality	847-852	847-852	-
Punjab (Khanna)	Wheat Mill quality	815-820	820-825	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	965-970	967-972	+2.00
Rajasthan (Kota)	Wheat Mill quality	965-970	965-970	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	905-907	900-905	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	975-980	985-990	+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	875-877	875-877	-

TECHNICALS:

Candlestick is showing bearish market. The %K line is going to down following made a bearish crossover with its %D line from up at neutral region, indicating bearish while MACD is still going to up at the negative territory, indicating to medium term firmness. Prices closed below the 9-days and 18-days EMA, which is indicating to weak market. Open interest decreased but volume increased. The market is expected to trade down following steady to strong opening with some bullish movement later.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	842.5	838.4	850.4	855.2	859.5
Sept.	865.7	861.5	875.0	877.2	881.5

TRADE RECOMMENDATION: (Intraday)

Sell August in between 851-853 with target towards 845.20, second target near 842.30. Put stop loss at 857.80.

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