

WHEAT DAILY

02nd JULY, 2006

SPOT MARKETS:

Stagnate arrival at domestic markets of Delhi along with slight improvement in demand from the flourmills causes sideways movement in the prices today, therefore Wheat dara registered at Rs.860-862/qrtl at the same yesterday's price quote with average inflow of 5000-bags at the Lawrence road while total arrival witnessed at 20000-22000 bags in Delhi. Wheat dara has quoted at Rs.800-805/qrtl at Narella and Najafgarh mandis today. The demand from the flourmills and chakki mills improved slightly around the country. The government announced wheat imports by the private sector under duty free, to arrest spiraling prices and also cuts import duty to 5 % on wheat to control inflation, though traders believed that landed cost of imports will be the same as local prices. Traders are expecting that the prices will be tumble down at the spot as the stockists and farmers might be release their socks. The prices are likely to remain steady to slight up in the coming days.

FUTURES MARKETS:

NCDEX wheat futures traded slightly bullish due to strong spot prices at the Delhi market and speculative buying from lower level as the futures market is trading at mostly lower side. The market opened strong and traded within the range till mid half and settled at higher side. Most active July contract opened strong at Rs.835.00 and settled at Rs.843.40, up by Rs.10.00 and traded within the range of Rs.831.60 to 845.00 Friday.

PRICE DRIVERS:

Bullish:

1. Hoarding of Stocks by the Stockists
2. Improving demand from the flourmills

Bearish:

1. Govt Allows Private Traders to Import Wheat as Duty Free
2. Wheat Import: Dispute Resolved; Shipping to Start
3. Govt cuts import duty to 5 % on wheat to control inflation

WEATHER:

The moderate monsoon activity in Western side is expected to hinder on the arrival in near future as monsoon is strongly improving in this region and other parts.

TECHNICALS:

Candlestick showing bullish tone, which is supported by stochastic. Prices closed below the 18-days and touching 9-days EMA, which is slightly bearish. MACD is in negative territory but slightly bullish. Open interest and volume slightly decreased. The sentiment is likely to remain firm following a steady to firm opening and some tentativeness can be seen at higher level.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	838.9	832.0	845.8	851.1	856.4
August	862.3	856.6	868.0	873.5	879.0

TRADE RECOMMENDATION: (Intraday)

Buy July above 842.8 with target towards 848 and Second target 855. Put stop loss at 832.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	30.06.06	01.06.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	860-862	-
Haryana (Karnal)	Wheat Mill quality	830-835	835-840	+5.00
Punjab (Khanna)	Wheat Mill quality	808-813	806-811	-2.00
Gujarat (Ahmedabad)	Wheat Mill quality	930-935	930-935	-
Rajasthan (Kota)	Wheat Mill quality	945-950	960-965	+15.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	878-883	878-883	-
Madhya Pradesh (Indore)	Wheat Mill quality	905-925	905-925	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	840-845	840-845	-

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