

WHEAT DAILY

18th JULY, 2006

SPOT MARKETS:

Wheat prices surged by Rs.5-15/qrtl at the major mandis of India Monday amidst scanty arrival and fresh buying demand from Maharashtra and South India. Wheat dara mill quality has quoted up at Rs.868-870/qrtl at the Lawrence road in Delhi despite higher arrival of 14000-15000 bags. The prices are quoted slight up at Rs.1050-1055/qrtl in Bangalore mandis. The demands of flourmills as well as wheat products remained good. The bad monsoon in Madhya Pradesh is hindering on arrival and the prices witnessed almost steady. The fresh demand from Maharashtra is opened, according to the traders; therefore the prices are increasing. However they are claiming that the prices are likely to hover down following five to six days. According to the agriculture minister Sharad Pawar, India did not have any immediate requirement for wheat imports to augment buffer stocks. He concluded that India have enough wheat to meet domestic requirements. In case there is any shortfall then the government will see what to do, Pawar said.

FUTURES MARKETS:

NCDEX wheat futures remained volatile Monday and settled slight higher. The higher spot prices supported the futures market early hour. The other bullish factor was a market rumor about wheat import. Therefore the futures market opened strong and surged to high but fell down from today's high level. Most active August contract opened strong at Rs.856.80 and went to Rs.868.80 but settled at Rs.857.80, up by Rs.1.80 and traded within the range of Rs.856.00-868.80.

PRICE DRIVERS:

Bullish:

1. Fresh Buying Demand from South India and Maharashtra
2. Strong Demand from the Flourmills and Chakki mills
3. Strong Demand for Wheat Products and Poor arrival

Bearish:

1. Tuticorin Port Expected to Get Imported Wheat in This Month
2. Minister: Enough Stocks of Wheat to the Government

WEATHER:

The weakness in monsoon activity at most part of the Punjab, Rajasthan, Gujarat, Haryana and Delhi is unexpected to interrupt on arrival. But the expectation of rainfall in M.P. and some parts of U.P. might be interrupting on arrival at this region.

TECHNICALS:

Unfilled Candlestick with strong upper shadow is indicating to bearish market. The %K line is going to intersect the %D line from up at neutral region, indicating downward movement while MACD is going to up at the negative territory, indicating to medium term firmness. Prices closed in between the 9-days and 18-days EMA, which is indicating to steady futures market. Open interest and volume remained increased. The prices are expected to trade strong initially following steady to strong opening with some bearish movement afterwards.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	828.8	825.5	831.6	835.5	840.1
August	853.2	850.3	857.8	863.2	868.8

TRADE RECOMMENDATION: (Intraday)

Sell August in between 860-863 with target towards 852, second target near 850. Put stop loss at 868.50.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	15.07.06	17.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	866-867	868-870	+2.00
Haryana (Karnal)	Wheat Mill quality	835-837	840-842	+5.00
Punjab (Khanna)	Wheat Mill quality	805-810	807-812	+2.00
Gujarat (Ahmedabad)	Wheat Mill quality	950-955	960-965	+10.00
Rajasthan (Kota)	Wheat Mill quality	970-975	975-980	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	885-890	895-900	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	960-962	960-965	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	860-862	860-865	-

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