

## WHEAT DAILY

26<sup>th</sup> JULY, 2006

### SPOT MARKETS:

Wheat prices maintained a strong hold at most of the trading centre. Wheat dara prices have quoted steady at Rs.880-882/qlt with average arrival of 6000-7000 bags at the Lawrence road mandis with total arrival was around 20000-25000 bags in Delhi Tuesday. Rake is being loaded for South India and rate was Rs.882-883/qlt from Delhi. The prices remained steady in Bangalore mandis at Rs.1055-1060/qlt. The traders are expecting that a good hike of around Rs.20-30/qlt in near future as the fresh festive season demand has started emerging. The rake demand from South India and Maharashtra are still continued to pressure on prices. The stockists are also holding their stocks as speculation of prices increase in near month. However the government declared that the spot prices of wheat declined by 4.78% as on July 20, 2006 compared to the prices on February 1, prior to the decision of the Government to import five lakh tonnes of wheat. Retail prices of wheat during the above period declined by nine per cent. Retail prices of wheat remained steady during the period, July 13 to 20 at certain centres like Delhi (Rs. 10 per kg.), Lucknow (Rs. 9.3 per kg.), Mumbai and Chennai (Rs. 14 per kg.).

### FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight up Tuesday on dull trading activity. The steady spot prices provided support to the futures market. The futures market opened strong and traded within the narrow range. Most active August contract opened at Rs.855 and settled at Rs.854, up by Rs.1.00 and traded within the range of Rs.853.20-855.

### PRICE DRIVERS:

#### Bullish:

1. Decreasing Trend of Arrival ahead of Festive Season
2. Regular Demand by the Flourmills: Rake Demand for South India
3. Low Buffer Stock to the Govt.

#### Bearish:

1. Speculation of Stocks Release by the Stockists in Near Month
2. Private Wheat Import

### WEATHER:

Southwest monsoon has further advanced into remaining parts of Arabian Sea and West Rajasthan. Thus southwest monsoon has covered the entire country. Therefore arrival at the market yards might be affected.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	24.07.06	25.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	878-882	880-882	-
Haryana (Karnal)	Wheat Mill quality	850-852	850-852	-
Punjab (Khanna)	Wheat Mill quality	830-835	830-835	-
Gujarat (Ahmedabad)	Wheat Mill quality	972-975	975-977	+3.00
Rajasthan (Kota)	Wheat Mill quality	970-975	970-975	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	900-905	900-905	-
Madhya Pradesh (Indore)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	875-877	870-875	-5.00

### TECHNICALS:

Candlestick is showing indecision market. The %K line is going to up at neutral region, indicating upward price 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 steady but volume remained mostly down. The market is expected to trade range bound.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	848.7	845.6	854.0	857.0	860.2
Sept.	872.5	869.4	878.0	881.2	884.5

### TRADE RECOMMENDATION: (Long Term)

**Buy August** in between 850-853 with target towards 870, second target near 880. Put stop loss at 840 for long term and Intraday traders should stay away from the market.

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