

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices extended previous steady undertone Thursday also in most of the mandis on steady demand supply scenario. Wheat dara offered at Rs.860-862/qlt at the Lawrence road mandis with average inflow was 7000-8000 bags while total arrival in Delhi mandis witnessed around 25000-30000 bags. The prices quoted at Rs.815-820/qlt at Narella and Najafgarh mandis with steady arrival. Decline in arrival in Khanna and MP and pre-occupation of farmers with sowing of kharif crops is keeping pressure on prices. A week arrival and urge to import would hold the commodity firm in coming days, according to the traders. The arrival is hindering in Gujarat, Maharashtra and M.P. mandis due to the rain. In spite of the decision to cut import duty, 20 lakh metric tonne of wheat with private traders and farmers in Punjab are not expected to hit the markets before October. The farmers are also holding back over 5 lakh metric tonne of their produce in anticipation of a price rise in the later part of the year.

### FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight bearish tone Thursday on amidst lackluster trading. The steady market prices at spot market also provided support to the futures market. There was lack of fresh buying interest. The futures market opened weak and traded within the range. Most active August contract opened weak at Rs.854.40 and settled at Rs.853.60, down by Rs.2.80 and traded within the range of Rs.853.60-858.80 while near month July contract finished slight down Rs.1.00 at Rs.832.40 following weak opening at Rs.831 and prevailed in between Rs.831.00-835.60 on Thursday.

### PRICE DRIVERS:

#### Bullish:

1. Hoarders Likely to Hold Stocks Till October
2. Continuous Demand from the South India
3. Cost of Imported Wheat from Canada Ranges \$195-\$203

#### Bearish:

1. Weak Wheat Products Demand
2. India to Import 1 Million Tonne Wheat From Canada

### WEATHER:

The monsoon is unexpected to get strong in coming three to four days at Northern side therefore it is unlikely to hinder on arrival. Stockists will continue hold back their stocks.

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

Markets	Variety	05.07.06	06.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-863	860-862	-
Haryana (Karnal)	Wheat Mill quality	835-840	830-835	-5.00
Punjab (Khanna)	Wheat Mill quality	800-805	805-810	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	945-950	-
Rajasthan (Kota)	Wheat Mill quality	962-965	955-960	-7.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	877-882	877-882	-
Madhya Pradesh (Indore)	Wheat Mill quality	940-950	945-950	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	850-855	850-855	-

### TECHNICALS:

Candlestick is continuing to indicate indecision market. The stochastic is going to down at neutral region while MACD is going to up at the negative territory. Prices closed below the 18-days and 9-days EMA, which is indicating downward movement. Open interest increased while volume decreased. The prices are expected to remain range bound with slight weak following steady to weak opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	825.4	821.3	832.4	836.0	840.4
August	850.2	846.2	853.6	860.5	863.5

### TRADE RECOMMENDATION: (Intraday)

**Sell August** in between 853.40-856.40 with target towards 848, second target near 846. Put stop loss at 860.

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