

WHEAT DAILY

10TH JULY, 2006

SPOT MARKETS:

The steady market sentiment for wheat prices has been continuing from several days at most of the spot market and there was no change of prices Saturday also at the Delhi mandis. Wheat dard prices have been quoting Rs.860-862/qlt with steady arrival of 5000-6000 bags while total arrival is witnessed around 25000-30000 bags in Delhi. The rake for wheat for South India is being loaded at Rs.865/qlt from Delhi. Continuing rake loading are supporting the spot market to remain steady and it is unexpected to pull down the prices in the coming week. However the prices got up in Rajasthan mandis following mostly down on yesterday. The weakness in monsoon is also encouraging the stockists to hold back their stocks. The prices were quoting steady at Rs.1045-1050/qlt at Bangalore mandis. Forward Markets Commission (FMC) has formulated guidelines for futures trading aimed at discouraging holding stocks beyond a certain period including raising trade margin deposit to curb speculative wheat prices. Reduction in open position quantum would persuade traders to release their wheat stocks early, narrowing down the scope of hoarding, according to the official.

FUTURES MARKETS:

NCDEX wheat futures maintained range bound sentiment Saturday also on narrow range. The steady market prices at spot market continued to provide support to the futures market to remain steady. The futures market traded within the range following strong opening and fell down slightly from higher side. Most active August contract opened strong at Rs.855 and settled at Rs.854.20, up by Rs.1.20 and traded within the range of Rs.853.80-858.40 Saturday.

PRICE DRIVERS:

Bullish:

1. Stocks Hoarding by the Stockists
2. Routine Demand from the South India
3. Weakness in Monsoon

Bearish:

1. HAFED Issues Tender for Commercial Sale of Wheat
2. FMC Started Rules for Wheat Futures Trading to Curb Prices

WEATHER:

The monsoon is unlikely to get mostly strong in coming week at Northern side therefore it is unlikely to hinder on arrival.

TECHNICALS:

Candlestick is indicating to indecision market of the wheat futures. The stochastic is going to down following making a bearish crossover at neutral region while MACD is going to slight up at the negative territory. Prices closed below the 18-days and 9-days EMA, which is indicating to downward movement. Open interest steady and volume decreased. The prices are expected to trade range bound with slight weak following steady to strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	826.5	822.2	834.0	840.5	843.5
August	846.7	842.3	854.2	858.5	863.5

TRADE RECOMMENDATION: (Intraday)

Sell August in between 856-859 with target towards 850, second target near 846. Put stop loss at 863.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	07.07.06	08.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	860-864	-
Haryana (Karnal)	Wheat Mill quality	830-835	830-835	-
Punjab (Khanna)	Wheat Mill quality	805-810	805-810	-
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	942-945	-3.00
Rajasthan (Kota)	Wheat Mill quality	945-950	960-965	+15.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	873-877	873-877	-
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	945-950	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	850-855	850-855	-

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