

WHEAT DAILY

11TH JULY, 2006

SPOT MARKETS:

Wheat prices slight surged today in Delhi and Uttar Pradesh mandis due to rake loading from Delhi and meager arrival with good demand from flourmills. Therefore wheat dars quoted up at Rs.865-866/qlt at the Lawrence road mandis of Delhi with average inflow of 5000-6000 bags where as total arrival witnessed around 20000-25000 bags in Delhi. However the sellers are offering Rs.857-858/qlt at godown therefore the prices is unlikely to go up in near future in this State, according to the traders. However the sentiment remained slight down at Rajasthan, Gujarat and M.P. mandis due to weak demand and releasing stocks by the MNCs. India's government-run trading house MMTC Ltd. has floated a tender to import of 25000-50000 metric tonnes of wheat, according to the company spokesperson. It is expecting that the prices of essential items like wheat to stabilise with the arrival soon of fresh shipments of wheat, according to the government official. Monsoon got strong at Northern region, which is also kept pressure on prices.

FUTURES MARKETS:

NCDEX wheat futures traded bearish with narrow range due to lack of fresh buying support and steady to slight up spot prices in Delhi Monday. The futures market traded within the range following weak opening and settled at negative territory. Most active August contract opened weak at Rs.853.20 and settled at Rs.849.40, down by Rs.5.00 and traded within the range of Rs.848.00-853.80 Monday.

PRICE DRIVERS:

Bullish:

1. Routine Demand from the South India
2. Favorable Demand from the Flourmills and Chakki mills

Bearish:

1. HAFED Issues Tender for Commercial Sale of Wheat
2. MMTC Floated Tender to Import of 25,000-50,000 Tons Wheat

WEATHER:

Southwest monsoon has further advanced into remaining parts of Haryana and Punjab and some more parts of Rajasthan. Isolated heavy rainfall also likely over Himachal Pradesh, Uttaranchal, Uttar Pradesh, Sub-Himalayan West Bengal & Sikkim and Orissa. Therefore it might be hindering the arrival and encouraged the stockists to release their stocks.

TECHNICALS:

Short body black Candlestick is indicating to bearish market of the wheat futures. The stochastic is going to down 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 bearish futures market. Open interest decreased but volume increased. 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	824.3	816.4	830.0	834.6	840.0
August	842.4	837.8	849.4	854.0	859.0

TRADE RECOMMENDATION: (Intraday)

Sell August in between 850-853 with target towards 845.0, second target near 842.0. Put stop loss at 857.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	08.07.06	10.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-864	865-866	+5.00
Haryana (Karnal)	Wheat Mill quality	830-835	827-832	-3.00
Punjab (Khanna)	Wheat Mill quality	805-810	805-810	-
Gujarat (Ahmedabad)	Wheat Mill quality	942-945	940-943	-2.00
Rajasthan (Kota)	Wheat Mill quality	960-965	955-960	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	873-877	875-880	+2.00
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	940-845	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	850-855	857-862	+7.00

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