

## WHEAT DAILY

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

### SPOT MARKETS:

The demand by rakes, flour millers and retailers kept the prices of wheat down in a sturdy mood on Friday at most of the region while heavy rains in Uttar Pradesh pushed up the wheat prices strongly amidst negligible arrival. The prices for wheat quoted slightly up in Delhi mandis on rake loading and promising demand from the flourmills and chakki mills despite higher arrival. Therefore wheat data registered slight up at Rs.867-868/qrtl at the Lawrence road mandis of Delhi with average intake of 10000-12000 bags from Haryana, where the prices also firmed. Another one rake is being loaded from Kotapura in Punjab for South India. Rajasthan and Haryana are also supplying wheat to South India and Maharashtra. The wheat prices are registered at Rs.1045-1050/qrtl in Bangalore mandis today. The FMC further imposed strict notification of risk management norms for wheat trading on the commodities futures market. The cooling off period increased from 15 minutes to 30 minutes once the price hits the 4% circuit limit and imposed 5% additional margin on chana with immediate effect. The decisions have been taken to control excessive speculation in wheat prices.

### FUTURES MARKETS:

NCDEX wheat futures traded within narrow range on dull trading activity Friday. The futures market opened weak and went slight upper level and settled slight down on lackluster trading activity. Most active August contract opened weak at Rs.855 and settled at Rs.853.40, down by Rs.3.20 and traded within the range of Rs.853.20-858.40.

### PRICE DRIVERS:

#### Bullish:

1. Rake Loading for South India and Heavy Rains in U.P.
2. Sturdy Demand from the Flourmills and Chakki mills

#### Bearish:

1. FMC Strengthening Norms for Wheat Trading
2. Tuticorin Port Expected to Get Imported Wheat in This Month
3. Quality Deterioration due to Moisture

### WEATHER:

Heavy to very heavy rainfall is likely at a few places over East Uttar Pradesh, Uttaranchal, Punjab, Coastal Karnataka and Kerala. Isolated heavy rainfall also likely over Bihar and Haryana. It is expected to interrupt on arrival.

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

Markets	Variety	13.07.06	14.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	865-866	867-868	+2.00
Haryana (Karnal)	Wheat Mill quality	835-837	840-842	+5.00
Punjab (Khanna)	Wheat Mill quality	805-810	805-810	-
Gujarat (Ahmedabad)	Wheat Mill quality	940-945	945-950	+5.00
Rajasthan (Kota)	Wheat Mill quality	945-950	950-955	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	875-878	880-883	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	950-955	950-955	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	850-855	860-862	+10.00

### TECHNICALS:

Candlestick is indicating to slight bearish market. The %K line is going to up at neutral region following making a bullish crossover with its % D line while MACD is 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 steady to down futures market. Open interest steady but volume increased. The prices are likely to trade range bound with slight down following steady to weak opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	825.1	822.5	828.8	832.6	835.4
August	851.3	847.5	853.4	856.1	859.2

### TRADE RECOMMENDATION: (Intraday)

**Sell August** in between 856-858 with target towards 851, second target near 848.40. Put stop loss at 861.

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