

## WHEAT DAILY

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

### SPOT MARKETS:

Slight higher arrival as compared to previous day pulled down the wheat prices slightly on Thursday at the major mandis however the prices registered at steady level in Punjab and Rajasthan mandis on scanty arrival and rake loading for South India. Wheat dara mill quality has traded slight down at Rs.865-866/qrtl with average inflow of 10000-12000 bags at the Lawrence road in Delhi. No rake loading for south India is witnessed from Delhi. The positive demand from the flour millers provided underlying support. The wheat prices prevailed at Rs.1045-1050/qrtl in Bangalore mandis. According to the traders, one rake has loaded for Bangalore from Kotapura region in Punjab today. According to the source, the imported wheat from Australia is expected to be hit Tuticorin port around end of this month. Around 25000-30000 tonnes of wheat is to be delivered around 25th of July. According to government report on Thursday, the Central government has strongly reduced the supplies of wheat under subsidized sales programme. Its total sales are projected down from 1.39 million tons corresponding month last year to only 890,000 metric tons in April.

### FUTURES MARKETS:

NCDEX wheat futures continued to trade range bound with lackluster trading activity. The steady spot market also kept pressure on futures market. The futures market traded within the narrow range following steady opening and settled slight down Thursday. Most active August contract opened steady at Rs.857 and settled at Rs.856, down by Rs.1.00 and traded within the range of Rs.855.40-859.

### PRICE DRIVERS:

#### Bullish:

1. Rake Loading for South India and Improved Arrival
2. Improving Demand from the Flourmills and Chakki mills

#### Bearish:

1. Centre Reduced Subsidized Wheat Sales to Curtail Imports
2. ADM, Cargill Awarded to Supply Wheat to India
3. Tuticorin Port Expected to Get Imported Wheat in This Month

### WEATHER:

Heavy to very heavy rainfall is likely at a few places over Bihar, East U.P., H.P. and Uttaranchal. Isolated heavy rainfall also likely over Punjab, Coastal Karnataka. It might be hampered on arrival in the market.

### TECHNICALS:

Candlestick is indicating to indecision 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 between the 9-days and 18-days EMA, which is indicating to steady futures market. Open interest as well as volume steady. The prices are likely to trade range bound with slight down following steady to strong opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	830.9	827.5	833.4	837.5	840.5
August	851.4	847.0	856.0	859.5	862.3

### TRADE RECOMMENDATION: (Intraday)

**Sell August** in between 859-862 with target towards 854, second target near 850.40. Put stop loss at 865.

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

Markets	Variety	12.07.06	13.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	868-870	865-866	-3.00
Haryana (Karnal)	Wheat Mill quality	831-833	835-837	+4.00
Punjab (Khanna)	Wheat Mill quality	805-810	805-810	-
Gujarat (Ahmedabad)	Wheat Mill quality	940-942	940-945	-
Rajasthan (Kota)	Wheat Mill quality	950-955	945-950	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	883-887	875-878	-8.00
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	950-955	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	865-870	850-855	-15.00

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