

WHEAT DAILY

06th JULY, 2006

SPOT MARKETS:

Wheat prices get stagnant at previous level at most of the centre Wednesday amidst stable demand supply scenario. Wheat dara mill quality quoted steady at Rs.860-863/qlt at the Lawrence road mandis of Delhi with average arrival of 6000-7000 bags from Haryana and U.P. The rake loading is being stopped for today. The demand from flourmills and chakki mills witnessed remarkably. However the prices quoted slight up at M.P. market due to the onset of monsoon all over the country has busied farmers in sowing and consequently arrival declined at wheat markets. The arrival at mandis is getting affected due to rains these days. The wheat production in the State has declined in the present year and the situation warrants imports from Haryana and Uttar Pradesh to meet the demand. On the other hand, the CM of U.P. has announced a ban on distribution of imported wheat in the state therefore it created some pressure on prices. The demand from the south India is promising and it exerts pressure on prices but if the monsoon gets strong at northern side, it might be pulled down the prices at this region.

FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight bearish tone Wednesday amidst profit booking at lower level and steady to weak spot market price in northern region. The futures market opened weak and went to lower side but profit booking at lower level pushed up the prices at late hour however it settled slight down. Most active August contract opened weak at Rs.854.60 and settled at Rs.855.40, down by Rs.1.00 and traded within the range of Rs.850-857.20 Wednesday.

PRICE DRIVERS:

Bullish:

1. Stocks Hoarding by the Stockists
2. Continuous Demand from the South India
3. Rain Hindered the Arrival in M.P. and Maharashtra

Bearish:

1. Strengthening of Monsoon; Stockists may Release Stocks
2. India to Import 1 Million Tonne Wheat From Canada

WEATHER:

The monsoon is expected to get strong in coming three to four days at Northern side therefore it might be impact on arrival as stockists might be release their stocks.

TECHNICALS:

Candlestick is indicating to indecision of the wheat market. However, the stochastic and MACD are going to up and MACD prevailed at the negative territory. Prices closed below the 18-days and 9-days EMA, which is indicating further downward movement. Open interest decreased while volume increased. The prices are expected to remain slight up following steady to weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	825.4	821.3	832.6	836.0	840.4
August	850.2	846.2	855.4	862.4	869.6

TRADE RECOMMENDATION: (Intraday)

Buy August in between 850-853 with target towards 857, second target near 860. Put stop loss at 846.5.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	04.07.06	05.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	862-865	860-863	-2.00
Haryana (Karnal)	Wheat Mill quality	835-840	835-840	-
Punjab (Khanna)	Wheat Mill quality	800-805	800-805	-
Gujarat (Ahmedabad)	Wheat Mill quality	943-947	945-950	+2.00
Rajasthan (Kota)	Wheat Mill quality	962-965	962-965	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	872-877	877-882	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	935-945	940-950	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	850-855	850-855	-

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