

WHEAT DAILY

08th JULY, 2006

SPOT MARKETS:

Wheat traded range bound fashion Friday at most of the mandis amidst routine demand and steady arrival. Therefore wheat dard prices have been quoting steady at Rs.860-862/qlt at the Lawrence road mandis of Delhi with average inflow of 5000-6000 bags. One rake for South India is being loaded from this State. The lack of fresh buying demand from the buyers is also kept the market to steady. The considerable demand from the South India did not pulled down the market, traders said. The wheat prices prevailed at Bangalore mandis to Rs.1045-1050/qlt. However wheat prices experienced a downfall at Kota mandis due to low selling pressure despite of normal arrival. According to the traders, low stock of wheat in the country will trigger the prices to up in future but they do not anticipate the prices to go high unusually rather. Hafed is having about 1-lakh MT wheat stocks in this Marketing Season-2006 under commercial account lying at various places in Haryana. Hafed will sell these stocks from July onwards. According to the Hafed, they invite sealed offers for sale of 20,000 MT commercial wheat. This news might be break down the present prices in Haryana but traders did not see any big downfall.

FUTURES MARKETS:

NCDEX wheat futures continued to trade range bound with slight bearish tone Friday on lackluster trading activity. The steady market prices at spot market also provided support to the futures market. The futures market traded within the range following weak opening and settled slight down. Most active August contract opened weak at Rs.853.80 and settled at Rs.852, down by Rs.2.20 and traded within the range of Rs.852-860 Friday.

PRICE DRIVERS:

Bullish:

1. Hoarders Likely to Hold Stocks Till October
2. Considerable Demand from the South India
3. Cost of Imported Wheat from Canada Ranges \$195-\$203

Bearish:

1. HAFED Issues Tender for Commercial Sale of Wheat
2. Weak Demand from Flourmills and Chakki Mills

WEATHER:

The monsoon is unexpected to get strong in coming three to four days at Northern side therefore it is unlikely to hinder on arrival. Stockists will continue hold back their stocks.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	06.07.06	07.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	860-862	-
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	945-950	-
Rajasthan (Kota)	Wheat Mill quality	955-960	945-950	-10.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	877-882	873-877	-4.00
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	945-950	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	850-855	850-855	-

TECHNICALS:

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



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	826.5	822.2	832.0	837.1	840.5
August	846.7	842.3	852.0	856.5	860.0

TRADE RECOMMENDATION: (Intraday)

Sell August in between 854-857 with target towards 846, second target near 842. Put stop loss at 862.

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