

WHEAT DAILY

28th JULY, 2006

SPOT MARKETS:

Wheat prices continued to remain steady at higher level at major mandis of the country Thursday. The strong demand from the flourmillers did not push the prices on lower side. In addition to, weakness in arrival due to rain supported the market to remain steady to up. Wheat dara prices quoted steady at Rs.880-882/qlt at Lawrence road in Delhi with total arrival of 15000-22000 bags in Delhi. The rake loading is being stopped for the day from Delhi but it is being loaded from Punjab. Traders said, the prices remained weak in M.P. due to the gossip of stocks releasing by the MNCs. However the festive demand will boost up the prices in near future, they noted. The government's run State Trading Corporation are issued to import of about 4 lakh metric tonnes (LMT) at zero customs duty, according to the government official on Thursday. The main objective is to building up the buffer stocks and they also told that it requires more quantities to run its sales program. On the other hand, the shipment of 76,000 tonnes (Mt) of Australian wheat will arrive at the southern ports in the next five days. The two ships each carrying 38,000 tonnes of Australian wheat would reach at Tuticorin and Visakhapatnam by this weekend. This news might be pulled down the prices initially.

FUTURES MARKETS:

NCDEX wheat futures traded bearish on good trading activity at last hour amidst speculative selling. The prices opened mostly down and traded bearish through out the session. Most active August contract opened at Rs.848.40 and settled at Rs.844, down by Rs.6.00 and traded within the range of Rs.843-851.

PRICE DRIVERS:

Bullish:

1. Decreasing trend of arrival on monsoon rains
2. Promising demand by the flourmills: Rake demand for south India
3. Festive demand for wheat products

Bearish:

1. STC issued to import of 4 LMT of wheat at zero duty
2. Imported wheat to land in next five-days

WEATHER:

Southwest monsoon has further advanced in most part of the country. Therefore arrival at the market yards will be affected.

TECHNICALS:

Candlestick is indicating bearish market. The %K line is going down following made a bearish crossover with %D line from up at neutral region, indicating down while MACD moving down at the negative territory, indicating medium term weakness. Prices closed below the 9-days and 18-days EMA, which is indicating weak market. Open interest decreased but volume increased. Prices are expected to remain range bound with bearish following weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	840.2	836.5	844.0	848.4	852.5
Sept.	861.5	857.6	867.0	875.4	878.7

TRADE RECOMMENDATION:

Intra day traders might take position to **Sell August** in between 845-847 with target towards 840.20, second target near 836.50. Put stop loss at 850 and who has taken **long** position in wheat might hold their position.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	26.07.06	27.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	880-882	880-882	-
Haryana (Karnal)	Wheat Mill quality	852-855	855-857	+3.00
Punjab (Khanna)	Wheat Mill quality	835-837	843-845	+8.00
Gujarat (Ahmedabad)	Wheat Mill quality	977-980	977-980	-
Rajasthan (Kota)	Wheat Mill quality	972-977	972-977	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	905-907	905-907	-
Madhya Pradesh (Indore)	Wheat Mill quality	980-990	975-980	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	870-875	870-875	-

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