

## WHEAT DAILY

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

### SPOT MARKETS:

The spot market prices for wheat slightly increased in Delhi and Gujarat mandis while it remained slight down at other major mandis Friday. The weakness in arrival and demand for rake was the main contributing factor for prices up. The strong demand from the flourmills also supported the market to up. Wheat darr prices experienced at Rs.882-883/qrtl with average arrival of 5000-6000 bags at Lawrence road mandi while total arrival witnessed at 20000-25000 bags in Delhi. The rake is being loaded for South India from Delhi and Punjab. The weak demand from the flourmills kept the market slight down at other mandis. According to the source, the government stocks were estimated at 8.2 million tonnes as of July 1, around nine million tonnes lower than the minimum required level for that date of 17.1 million. According to the traders, the latest import news is not likely to curb down the spot prices that have become a major headache for the government, and would have the opposite effect in global markets. The state run trading house MMTC Ltd. has contracted to purchase 50,000 metric tons of wheat from its wholly owned Singapore-based subsidiary MTPL at \$179/ton, C& F.

### FUTURES MARKETS:

NCDEX wheat futures rebounded to up on speculative buying. Speculators did not see any farther reduction on wheat prices due to import. The prices opened down and traded bullish through out the session. Most active August contract opened at Rs.843.40 and settled at Rs.853, up by Rs.9.00 and traded within the range of Rs.843.40-851.00.

### PRICE DRIVERS:

#### Bullish:

1. Decreasing trend of arrival on monsoon rains
2. Moderate 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. MMTC importing 50,000 Mt wheat at \$179/mt, c&f

### WEATHER:

Rainfall activity is likely to increase over central India, Maharashtra and Gujarat and decrease over East India. Therefore arrival at the market yards will be affected.

### TECHNICALS:

Candlestick is indicating bullish market. The %K line is going up but below %D line at neutral region, indicating up while MACD also moving up at the negative territory, indicating firmness. Prices closed in between the 9-days and 18-days EMA, which is indicating bullish market. Open interest as well as volume increased. The prices are likely to remain range bound with bullish following strong opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	850.4	846.5	853.0	859.5	863.5
Sept.	873.5	869.6	876.0	882.4	887.1

### TRADE RECOMMENDATION:

Intra day traders might take position to **Buy August** in between 851-853 with target towards 857.50, second target near 863.50. Put stop loss at 847.50 and who has taken **long** position in wheat should hold their position.

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

Markets	Variety	27.07.06	28.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	880-882	882-883	+2.00
Haryana (Karnal)	Wheat Mill quality	855-857	850-855	-5.00
Punjab (Khanna)	Wheat Mill quality	843-845	843-845	-
Gujarat (Ahmedabad)	Wheat Mill quality	977-980	980-982	+3.00
Rajasthan (Kota)	Wheat Mill quality	972-977	970-973	-2.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	905-907	900-905	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	975-980	970-975	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	870-875	870-872	-

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