

WHEAT DAILY

04th JULY, 2006

SPOT MARKETS:

Stagnate arrival at domestic markets of Delhi along with slight improvement in demand from the flourmills causes sideways movement in the prices today, therefore Wheat dara registered at Rs.860-862/qrtl at the same yesterday's price quote with average inflow of 15000-16000-bags at the Lawrence road while total arrival witnessed at 20000-22000 bags in Delhi. Wheat dara has quoted at Rs.800-805/qrtl at Narella and Najafgarh mandis today. The demand from the flourmills and chakki mills improved slightly around the country. The government announced wheat imports by the private sector to arrest spiraling prices and also cuts import duty to 5 % on wheat to control inflation, though traders believed that landed cost of imports will be the same as local prices. Traders are expecting that the prices will be tumble down at the spot as the stockists and farmers might be release their socks. The prices are likely to remain steady to slight up in the coming days.

FUTURES MARKETS:

NCDEX wheat futures traded slightly bullish due to strong spot prices at the Delhi market and speculative buying from lower level as the futures market is trading at mostly lower side. The market opened strong and traded within the range till mid half and settled at higher side. Most active July contract opened strong at Rs.843.00 and settled at Rs.839.80, down by Rs.5.40 and traded within the range of Rs.835.00 to 847.40 Monday.

PRICE DRIVERS:

Bullish:

1. Hoarding of Stocks by the Stockists
2. Improving demand from the flourmills

Bearish:

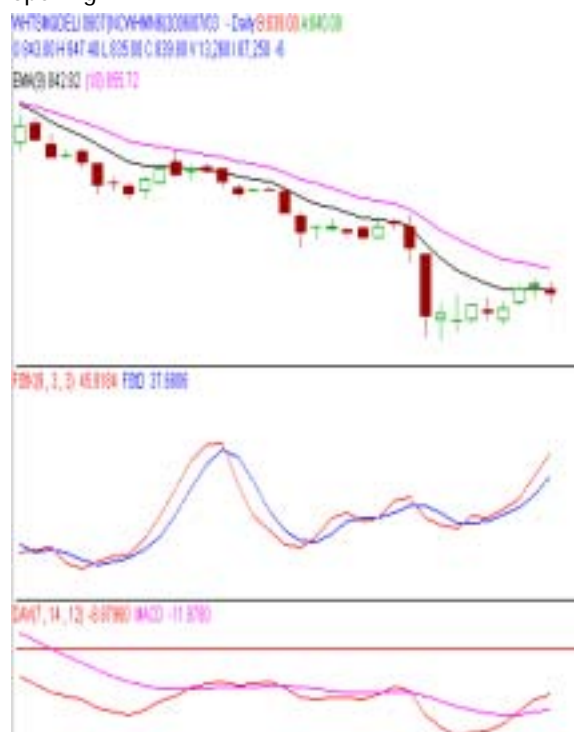
1. Govt cuts import duty to 5 % on wheat to control inflation

WEATHER:

The moderate monsoon activity in Western side is expected to hinder on the arrival in near future as monsoon is strongly improving in this region and other parts.

TECHNICALS:

Candlestick showing indecision in the market sentiments. However, the stochastic and MACD are calling for some improvement in the price. Prices closed below the 18-days and touching 9-days EMA, which is slightly bearish. The prices are likely to witness volatile movements after steady to firm opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	834.0	828.3	845.8	846.4	853.1
August	856.7	851.4	868.0	868.1	874.2

TRADE RECOMMENDATION: (Intraday)

Sell July below 845 with target towards 833 Put stop loss at 853.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	01.07.06	03.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	860-862	860-862	-
Haryana (Karnal)	Wheat Mill quality	835-840	835-840	-
Punjab (Khanna)	Wheat Mill quality	806-811	804-809	-2.00
Gujarat (Ahmedabad)	Wheat Mill quality	930-935	940-945	+10.00
Rajasthan (Kota)	Wheat Mill quality	960-965	958-963	-2.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	878-883	870-873	-8.00
Madhya Pradesh (Indore)	Wheat Mill quality	905-925	905-925	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	840-845	850-855	+10.00

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