

WHEAT DAILY

19th JULY, 2006

SPOT MARKETS:

Wheat prices got steady at higher level at most of the mandis amidst stable demand supply scenario. The rake for wheat is being loaded for South India at Rs.870-875/qlt from Delhi, traders said. Wheat prices prevailed at Rs.868-870/qlt with average intake of 7000-8000 bags at the Lawrence road mandis in Delhi. The prices remained at Rs.1045-1050/qlt in Bangalore mandis. The weakness in arrival has kept pressure on prices but the rumour that the government might be impose stock limits to the private stockists kept the buyers away from the market. The regular demand from the South Indian flour millers coupled with fresh demand from Maharashtra kept the prices at relatively higher side. According to a source, Indian companies are importing wheat from Russia at \$175/tn (Rs.900-905/qlt landed cost) and Ukraine \$188/tn (Rs.960-965/qlt landed cost). They claimed, Ukraine wheat shipment is likely to reach Tuticorin port by July end and Russian wheat shipment is expected to reach Tuticorin by early August.

FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight up Monday on lackluster trading activity. The steady spot prices also provided some underlying support to the futures market. The prices opened mostly strong and traded within the narrow range through out the trading session. Most active August contract opened strong at Rs.860 and settled at Rs.859.20, up by Rs.1.20 and traded within the range of Rs.858-863.

PRICE DRIVERS:

Bullish:

1. Centre Once More Scales Down Wheat Production to 69.48 Mt
2. Moderate Demand from the Flourmills and Chakki mills
3. Higher Cost of Imported Wheat and Poor Arrival

Bearish:

1. RBI Likely to Enquire about Misused to Procure Wheat
2. Private Wheat Imports

WEATHER:

Arrival might be interrupted due to heavy to very heavy rainfall is likely at a few places over Madhya Pradesh, Vidarbha and northeastern States and Isolated heavy to very heavy falls also likely over Konkan & Goa, Madhya Maharashtra, Marathawada, Uttaranchal, south Haravana and Delhi .

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	17.07.06	18.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	868-870	868-870	-
Haryana (Karnal)	Wheat Mill quality	840-842	835-840	-5.00
Punjab (Khanna)	Wheat Mill quality	807-812	807-812	-
Gujarat (Ahmedabad)	Wheat Mill quality	960-965	963-967	+3.00
Rajasthan (Kota)	Wheat Mill quality	975-980	970-975	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	895-900	895-900	-
Madhya Pradesh (Indore)	Wheat Mill quality	960-965	960-970	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	860-865	865-870	+5.00

TECHNICALS:

Doji like Candlestick is indicating to indecision market. The %K line made beaish crossover with the %D line from up at neutral region, indicating downward movement while MACD is going to up at the negative territory, indicating to medium term firmness. Prices closed in between the 9-days and 18-days EMA, which is indicating to steady futures market. Open interest and volume remained down. The prices are expected to trade strong initially following steady to strong opening with some bearish movement afterwards.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	828.8	825.5	829.8	835.5	840.1
August	853.2	850.3	859.2	863.2	868.8

TRADE RECOMMENDATION: (Intraday)

Sell August in between 860-863 with target towards 856, second target near 852. Put stop loss at 867.

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