

## WHEAT DAILY

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

### SPOT MARKETS:

The market sentiment for wheat prices remained stable in Delhi and witnessed strong at other mandis Saturday due to strong demand as weakness in arrival and rake demand from South India. Wheat dars prices quoted steady at Rs.866-867/qlt at the Lawrence road mandis of Delhi with average arrival of 10000-12000 bags. According to the traders, around two rakes are being loaded for South India from Delhi. The prices remained steady at Rs.1045-1050/qlt in Bangalore mandis. The wheat products demand is also increasing therefore the flourmills are sowing good buying demand. The continuous demand from flourmills and reduced market arrival kept the prices at an upright level. Traders said surging demand would keep the prices in positive territory. The Punjab Government has urged an increase of nearly 25% in the minimum support price (MSP) for cereal crops like wheat due to the huge increase in the cost of agricultural inputs. The government has asked the Centre to increase the MSP for wheat from Rs.650 to Rs 825 per quintal, according to the government sources.

### FUTURES MARKETS:

NCDEX wheat futures continued to trade range bound with narrow range Saturday also. The steady to up spot prices is also providing some underlying support in the futures market. The futures market opened strong and traded within the narrow range through out the session and settled at positive territory. Most active August contract opened strong at Rs.855 and settled at Rs.856, up by Rs.1.80 and traded within the range of Rs.855-858.

### PRICE DRIVERS:

#### Bullish:

1. Rake Loading for South India and Heavy Rains in U.P.
2. Sturdy Demand from the Flourmills and Chakki mills
3. Strong Demand for Wheat Products

#### Bearish:

1. FMC Strengthening Norms for Wheat Trading
2. Tuticorin Port Expected to Get Imported Wheat in This Month
3. Quality Deterioration due to Moisture

### WEATHER:

Isolated heavy to very heavy rainfall is likely over Coastal Karnataka, Chhattisgarh and East Uttar Pradesh. Rain/thundershowers are likely at a few places over Himachal Pradesh, Uttaranchal and West Uttar Pradesh. It is expected to interrupt on arrival.

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

Markets	Variety	14.07.06	15.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	867-868	866-867	-1.00
Haryana (Karnal)	Wheat Mill quality	840-842	835-837	-5.00
Punjab (Khanna)	Wheat Mill quality	805-810	805-810	-
Gujarat (Ahmedabad)	Wheat Mill quality	945-950	950-955	+5.00
Rajasthan (Kota)	Wheat Mill quality	950-955	970-975	+20.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	880-883	885-890	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	950-955	960-962	+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	860-862	860-862	-

### TECHNICALS:

Candlestick is indicating to indecision market. The %K line is going to up at neutral region following making a bullish crossover with its % D line 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 steady. The prices are likely to trade range bound with slight down following steady to strong opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	828.4	825.1	831.0	833.5	835.4
August	851.3	847.5	856.0	858.1	861.5

### TRADE RECOMMENDATION:

**Sell August** in between 858-860 with target towards 852, second target near 850.40. Put stop loss at 865 for short term. Intraday traders should stay away from the market.

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