

WHEAT DAILY

12TH JULY, 2006

SPOT MARKETS:

The market sentiment for wheat prices got stagnant at previous level at most of the mandis on Tuesday due to lackluster trading. The demand and supply scenario was balanced. Wheat dard prices quoted steady at Rs.865-866/qrtl with average arrival of 8000-9000 bags while total inflow was 22000-27000 bags in Delhi. According to one trader, the rake loading is being stopped for South India in Delhi. The one rake has been loaded for South from Ferozepur in Punjab. The bad monsoon is hindering on arrival. The wheat products demand is improving therefore the demand from the flourmills is witnessing superior. According to a source, Kolkata-based company to import 50,000 tons Ukrainian wheat at price between \$180-\$185 a metric ton, cost and freight and Flour mills in the southern state of Tamil Nadu have also placed orders for import of an estimated 2,500 tons in containers carrying 24 tons each. Government-run trading house MMTC Ltd had earlier issued a tender to import between 25,000 tons and 50,000 tons wheat. These factors might be pulled down the wheat prices initially.

FUTURES MARKETS:

NCDEX wheat futures traded bullish with narrow range on dull trading activity. There was no fundamental news to push down the prices therefore the futures market traded range bound following steady opening and settled up. The steady spot prices are also providing underlying support to the futures market. Most active August contract opened weak at Rs.853.20 and settled at Rs.855, up by Rs.5.40 and traded within the range of Rs.848.60-855 Tuesday.

PRICE DRIVERS:

Bullish:

1. Routine Demand from the South India
2. Favorable Demand from the Flourmills and Chakki mills

Bearish:

1. Kolkata-Based Company To Import 50,000 Tons Wheat
2. MMTC Floated Tender to Import of 25,000-50,000 Tons Wheat

WEATHER:

Heavy to very heavy rainfall is likely at a few places over Bihar, East Uttar Pradesh and East Rajasthan. Therefore it might be hindering the arrival and encouraged the stockists to release their stocks.

TECHNICALS:

Short white body Candlestick is indicating to bullish market of the wheat futures. The stochastic is going to down at neutral region while MACD is going to slight up at the negative territory. Prices closed just below the 9-days and 18-days EMA, which is indicating to slight bearish futures market. Open interest as well as volume remained steady. The prices are expected to trade range bound with slight up following steady to strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
July	828.2	824.6	834.8	843.5	846.1
August	850.3	846.2	855.0	862.2	867.5

TRADE RECOMMENDATION: (Intraday)

Buy August in between 852-854 with target towards 859.2, second target near 863. Put stop loss at 848.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	10.07.06	11.07.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	865-866	865-866	-
Haryana (Karnal)	Wheat Mill quality	827-832	830-832	+3.00
Punjab (Khanna)	Wheat Mill quality	805-810	805-810	-
Gujarat (Ahmedabad)	Wheat Mill quality	940-943	937-942	-3.00
Rajasthan (Kota)	Wheat Mill quality	955-960	955-960	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	875-880	875-880	-
Madhya Pradesh (Indore)	Wheat Mill quality	940-945	940-945	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	857-862	850-855	-7.00

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