

## WHEAT DAILY

28<sup>th</sup> AUGUST, 2006

### SPOT MARKETS:

Wheat prices remained on bullish mood despite government imposed stock limitation order on Friday. Wheat prices climbed at most of the mandis in the country due to the poor arrival and good buying activity from the flourmillers as the rising products like maida, suji, atta demand. Wheat dara prices firmed at Rs.1000-1005/qrtl with scanty arrival of 5000-6000 bags at the Lawrence road with no rake loading in Delhi. Government has restored the powers of state governments for undertaking de-hoarding operations under the Essential Commodities Act, 1955 in respect of wheat. This has been done by enforcing restrictions on licensing requirements, stock limits and movement in respect to wheat for a period of six months only, which might be pull down the prices as medium term but it is not likely to impact as long term. On the other hand, the supply of wheat would be sufficient to meet the festive demand starting from next month because the imported consignments are arriving as per schedule. By the by, the government has raised the allocation of wheat by 50% for September for the Above Poverty Line (APL) in account of the festivals in many states. Therefore prices might be remaining steady to down in the coming months.

### FUTURES MARKETS:

NCDEX wheat futures sharply fell down Saturday due to the order of stock limitation by the government despite strong spot prices. The strong selling pressure and profit booking at higher level pulled down the prices mostly. The futures market opened weak and traded mostly bearish through out the trading session. Most active September contract opened at Rs.977.60 and tumbled down by Rs.14.20 at Rs.966.80, and traded in between Rs.963-977.60.

### PRICE DRIVERS:

#### Bullish:

1. Scanty arrival and strong demand from South & Flourmills
2. Stocks hoarding as festive season

#### Bearish:

1. Govt imposed stockholding limits in wheat

### WEATHER:

Isolated heavy falls are likely over East Madhya Pradesh and East Uttar Pradesh during next 48 hours. Isolated heavy falls also likely over north-eastern states. Arrival might be affected.

### TECHNICALS:

Filled Candlestick is hinting bearish market. The %K line is going up after made a bullish cut with its %D line at neutral region, while MACD up at the positive territory, hinting steady to up as medium term. Prices closed above the 9-days and 18-days EMA, which is indicating slight bullish market. Open interest as well as volume decreased. Wheat prices are expected to remain weak following steady to weak opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	959.2	950.0	966.8	975.0	982.0
Oct.	979.8	970.2	989.8	1000	1005

### TRADE RECOMMENDATION:

Intra day traders might take position to **Sell** **September** in between 965-969 with target towards 959.20, second target near 950. Put stop loss at 975.

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

Markets	Variety	25.08.06	28.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	995-1000	1000-1005	+5.00
Haryana (Karnal)	Wheat Mill quality	970-975	980-982	+10.00
Punjab (Khanna)	Wheat Mill quality	955-960	970-972	+15.00
Gujarat (Ahmedabad)	Wheat Mill quality	1085-1090	1085-1090	-
Rajasthan (Kota)	Wheat Mill quality	1070-1075	1070-1075	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	985-990	995-1000	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1050-1055	1070-1075	+20.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	982-985	995-1000	+13.00

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