

WHEAT DAILY

11th AUGUST, 2006

SPOT MARKETS:

Wheat prices maintained its bullish sentiment in the country. The prices increased by Rs.5-10/qrtl at most of the trading centre Thursday on strong demand from flourmills as upward demand for wheat products and weak arrival. But there was no rake loading for the day as no arrival at the rake in Delhi. The rake was loaded from Punjab side for South India. Wheat darr prices quoted up at Rs.910-915/qrtl at the Lawrence road in Delhi with average intake of 14000-15000 bags from Haryana and U.P. According to the traders, the products demand is rising therefore the flourmills are purchasing wheat at higher cost. The prices are likely to climb in recent. The cost of wheat import is proving costlier plan as the world wheat prices have been increasing since the first tender floated by the STC in February 2006. A quantity of 7.65 lakh tonnes (Lt) of imported wheat out of 30 lakh tonnes contracted would reach Indian ports by the end of this month. Therefore arrival at the markets is expected to boost up at the end of this month. But the expected strong demand is likely to offset the strong arrival in festival season. Therefore the prices will be trade higher at this time, traders said.

FUTURES MARKETS:

NCDEX wheat futures hovered up on strong spot prices and speculative buying. The higher imported cost is supportive factor for price rises. Futures market opened steady to weak and traded bullish but set back from day's higher level. Most active September contract opened at Rs.903.80 and settled up by Rs.12.40 at Rs.915.60, and traded within the range of Rs.903.80-917.80.

PRICE DRIVERS:

Bullish:

1. Robust demand from flourmills & South India; Products demand
2. Higher imported cost; Weak arrival

Bearish:

1. Around 7.65 Lt imported wheat arrives by end august
2. India traders seek permits to import 1 MMt wheat

WEATHER:

Isolated to scattered rainfall over Punjab, Uttaranchal, Haryana and west U.P. during next 24-36 Hrs. Isolated heavy to very heavy falls are also likely over Gujarat Region, southeast Rajasthan, West Madhya Pradesh. Therefore it would be hindered on arrival.

TECHNICALS:

Candlestick is hinting bullish market. The %K line is moving up and prevailed above %D line at overbought region, while MACD going up at the positive territory, indicating strong price. Prices closed far above the 9-days and 18-days EMA, which is hinting upward market. Open interest as well as volume increased. Wheat prices are likely to trade up after steady to strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	880.5	874.6	891.0	902.6	907.5
Sept.	909.7	903.5	915.6	925.0	930.5

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy September** in between 915-917 with target towards 922, second target near 927.50. Put stop loss at 911.50.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	9.08.06	10.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	905-910	910-915	+5.00
Haryana (Karnal)	Wheat Mill quality	870-872	875-877	+5.00
Punjab (Khanna)	Wheat Mill quality	870-875	885-890	+15.00
Gujarat (Ahmedabad)	Wheat Mill quality	985-987	990-992	+5.00
Rajasthan (Kota)	Wheat Mill quality	985-990	990-995	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	920-922	925-930	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	Closed	985-990	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	880-885	885-890	+5.00

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