

WHEAT DAILY

9th AUGUST, 2006

SPOT MARKETS:

The market sentiments for wheat prices are firming up gradually at now. Wheat dara prices increased to Rs.897-900/qrtl at the Lawrence road in Delhi with scanty arrival of 4000-5000 bags and no rake loading was reported from this state Tuesday despite rake demand from south India. The prices got strong in Punjab and M.P. mandis also on weak arrival and rain in M.P. The strong demand from the flourmills are providing support to the market as the products demand are getting strong ahead of the festive season. The stockists are still hoarding their stocks and they are likely to release stock in September and October due to festive demand and when most of the wheat shipment will arrive. The other markets remained steady at higher level. MMTC floated a fresh tender to import up to 120,000 Mt and PEC floated to import 50,000 Mt. Besides, STC has finalized to import around 330,000 Mt of wheat from Switzerland-based trading house Agrico Trade and Finance SA at the cost of \$210-\$212/tonne, cost and freight. The current import news by the STC, MMTC and PEC could not pulled down the prices as the imported cost is seemed to be mostly higher. Prices are likely to increase in the near future.

FUTURES MARKETS:

NCDEX wheat futures maintained a bullish trend on strong buying support at lower level and higher spot prices. The higher imported cost of wheat is also supported the futures market. Futures market opened firm and traded bullish but set back from day's higher level. Most active September contract opened at Rs.896 and settled up by Rs.6.80 at Rs.900, and traded within the range of Rs.895.20-904.60.

PRICE DRIVERS:

Bullish:

1. Robust demand from south Indian flourmills
2. Strong demand from flourmills; Higher imported cost

Bearish:

1. MMTC & PEC floated additional 1.7-lakh ton of wheat
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 indicating bullish market. The %K line is going up and remained above %D line at overbought region, while MACD moving up and reached at the positive territory, indicating strong price. Prices closed far above the 9-days and 18-days EMA, which is indicating upward market. Open interest as well as volume increased, indicating upward market. Wheat prices are likely to trade bullish following steady to strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	870.4	865.2	873.4	881.5	888.2
Sept.	895.2	890.1	900.0	910.5	914.6

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy September** in between 898-899 with target towards 908, second target near 913. Put stop loss at 893.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	7.08.06	8.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	890-892	897-900	+7.00
Haryana (Karnal)	Wheat Mill quality	865-870	865-870	-
Punjab (Khanna)	Wheat Mill quality	853-857	860-865	+7.00
Gujarat (Ahmedabad)	Wheat Mill quality	985-987	985-987	-
Rajasthan (Kota)	Wheat Mill quality	985-990	985-990	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	920-922	920-922	-
Madhya Pradesh (Indore)	Wheat Mill quality	970-975	975-980	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	885-887	885-887	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.