

WHEAT DAILY

4th AUGUST, 2006

SPOT MARKETS:

Wheat prices stumbled down in Delhi, Bhopal, Itasari and other mandis of M.P. and Haryana on slight higher arrival and moderate offtake by the flourmills. In M.P., the demand is very scanty, as the chief buying states Maharashtra and Gujarat did not place any fresh demand amidst rains. Wheat dara prices offered at Rs.890-892/qlt with average intake of 10000-12000 bags at the Lawrence road while total arrival was reported to be around 23000-27000 bags in Delhi. The rake is being loaded for South India from Delhi and Punjab. The weak demands for wheat products is also supported the wheat prices to get down. But it remained up in U.P., Gujarat and Maharashtra market due to strong demand and mostly weak arrival. The prices observed steady at upper level at Rs.1060-1065/qlt in Bangalore. The government run State Trading Corporation (STC) Ltd. has received eight bids from outside and the price ranges is between \$210-\$239 a metric ton, on a cost and freight basis. Therefore the imported cost would be higher than the present spot prices and prices are likely to reach high in the near future.

FUTURES MARKETS:

NCDEX wheat futures tumbled down on rangebound trading Wednesday amidst concerns over stock limitation to the stockists. The futures market went to up following weak opening but got down on speculative selling due to the news of stock limitation. Most active August contract opened at Rs.858.40 and settled at Rs.856, down by Rs.4 and traded within the range of Rs.855-861.

PRICE DRIVERS:

Bullish:

1. Rake demand for south India and weak arrival
2. Festive demand and higher imported cost of wheat

Bearish:

1. Concerns over stock limitation to the stockists
2. Weak products demand; Moderate offtake by the flourmills

WEATHER:

Rainfall activity is likely to increase over Gujarat, south Rajasthan and West Madhya Pradesh and decrease over east India. Isolated heavy to very heavy rainfall is also likely over Telangana, Konkan & Goa, Vidarbha, Marathwada and Coastal Karnataka. Therefore it would be hamper on arrival.

TECHNICALS:

Candlestick is indicating bearish market. The %K line is going down following made a bearish crossover with its %D line at neutral region, while MACD moving up at the negative territory, indicating firmness. Prices closed just below the 9-days and 18-days EMA, which is indicating bearish market. Open interest as well as volume decreased. The prices are likely to remain rangebound with slight bearish following weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	852.6	849.1	856.0	861.5	866.5
Sept.	872.1	868.5	876.8	884.2	888.8

TRADE RECOMMENDATION:

Intra day traders might take position to **Sell August** in between 858-860 with target towards 852.50, second target near 849.10. Put stop loss at 864.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	2.08.06	3.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	893-895	890-892	-3.00
Haryana (Karnal)	Wheat Mill quality	865-870	860-863	-5.00
Punjab (Khanna)	Wheat Mill quality	855-860	855-860	-
Gujarat (Ahmedabad)	Wheat Mill quality	980-982	982-985	+2.00
Rajasthan (Kota)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	905-907	915-920	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	877-882	880-885	+3.00

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.