

WHEAT DAILY

7th AUGUST, 2006

SPOT MARKETS:

Wheat prices slumped by Rs.5/qrtl in Delhi, Haryana and some parts of U.P. mandis on higher arrival on Saturday. There was no rake loading from Delhi for South India today, so prices got down, traders said. The flourmillers are also stayed away from the market as the prices went to high two to three days ago. In addition to, weak products demand also pushed the prices in negative territory. Wheat dara prices quoted down at Rs.885-887/qrtl with average arrival are reported to be 14000-15000 bags at the Lawrence road in Delhi. A stable trend observed at Bhopal, Indore, Gujarat and Rajasthan mandis on weak arrival but decent demand. On the other hand, R. Pyarelal Import and Export Ltd, an Indian commodities trading house imported 51,000 metric tonne Ukrainian wheat at 5% duty at \$170-\$180 a tonne on a cost-and-freight basis at Tuticorin and Visakhapatnam ports. Therefore the landed cost would be Rs.895-935/qrtl including bagging and packaging while the prices registered steady at upper level in Bangalore at Rs.1060-1065/qrtl, which is slight higher than this imported wheat. But the international wheat prices are increasing at now so the spot prices might be going up in near future.

FUTURES MARKETS:

NCDEX wheat futures settled slight higher Saturday on thin trading activity and light fund buying. The futures market traded up following steady to weak opening and finished at positive territory. But the prices traded within the narrow range and there was no fundamental news to boost up the prices mostly upper side. Most active August contract opened at Rs.857 and settled at Rs.859.60, up by Rs.2.40 and traded within the range of Rs.856-860.60.

PRICE DRIVERS:

Bullish:

1. Only rake demand for south India supported the market in Punjab
2. Weakness in arrival at some pockets and stocks hoarding

Bearish:

1. Rains weakened the market activities
2. Weak products demand; Decent offtake by the flourmills

WEATHER:

Enhanced rainfall activity likely to continue over Madhya Maharashtra and Gujarat Region and may extend into Saurashtra & Kutch and south Rajasthan. Therefore it would be hamper on arrival.

TECHNICALS:

Candlestick is indicating bullish market. The %K line is going up but remained below over %D line at neutral region, while MACD moving up at the negative territory, indicating upward ness. Prices closed above the 9-days and 18-days EMA, which is indicating upward market. Open interest as well as volume continues to decrease. Wheat prices are likely to remain up following strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	854.1	850.2	859.6	866.5	870.5
Sept.	882.5	876.7	884.0	888.8	892.5

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy August** in between 858-860 with target towards 866.50, second target near 870.50. Put stop loss at 852.50.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	4.08.06	5.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	890-892	885-887	-5.00
Haryana (Karnal)	Wheat Mill quality	863-865	860-863	-3.00
Punjab (Khanna)	Wheat Mill quality	860-862	860-862	-
Gujarat (Ahmedabad)	Wheat Mill quality	980-982	980-982	-
Rajasthan (Kota)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	920-922	920-922	-
Madhya Pradesh (Indore)	Wheat Mill quality	980-985	975-980	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	885-887	880-885	-5.00

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