

WHEAT DAILY

25th AUGUST, 2006

SPOT MARKETS:

Wheat prices gained from its recent losses and traded firm across the major mandis on Thursday on reduced arrival and rake demand for South. Therefore wheat data witnessed subdued at Rs.975-980/mtl at the Lawrence road in Delhi with average arrival of 12000-13000 bags including rake. The flourmillers bought wheat but the activity was moderate. The wheat products demand moderate due to the end of the month and it is likely to rise in the coming month, traders said. The prices were also in rising mood in Bangalore and it offered at Rs.1150-1160/mtl. According to the traders, there was no clear-cut information about the ECA (Amendment) Bill, so the prices are increasing further. In addition to, the strong demand from the Jammu, Kashmir, South India and Maharashtra helped to provide support to the market. The stockists are still hoarding the stocks therefore the arrivals are decreasing. The higher prices of imported wheat are also aggravating the prices. On the other hand, R. Pyarelal Import and Export Ltd, an Indian commodities trader, imported 50,000 metric tonne of wheat at \$185-195 from Hungary's WJ Grain Ltd in favor of local producers and flour mills. But the market is still eyeing on the government's decision about the wheat.

FUTURES MARKETS:

NCDEX wheat futures rose on Thursday after dropping for two days as some traders covered their short positions in tandem with the strong spot prices. The speculative led buying pushed up the futures market at late hour. The futures market opened firm and went to down but buying support at lower side triggered the prices to up. The good demand of festive season also provided support. Most active September contract opened at Rs.967.80 and settled up by Rs.6.60 at Rs.972.80, and traded between Rs.964-973.

PRICE DRIVERS:

Bullish:

1. Robust demand from south India; Weak arrival
2. Higher cost of imported wheat; Stocks hoarding as festive season

Bearish:

1. Weak demand from the flourmills

WEATHER:

The arrival might be not affected due to weakness in rainfall activity in producing regions for the coming day.

TECHNICALS:

Unfilled Candlestick is indicating indecision market. The %K line is going down and prevailed at neutral region following %D line, while MACD steady at the positive territory, hinting steady to slight up as medium term. Prices closed far above the 9-days and 18-days EMA, which is hinting strong market. Open interest steady but volume decreased. Wheat prices are expected to remain firm after steady to strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	965.4	960.5	972.8	980.0	987.9
Oct.	991.5	985.5	998.8	1012	1018

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy September** in between 968-972 with target towards 980, second target near 987.90. Put stop loss at 960.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	23.08.06	24.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	970-972	975-980	+5.00
Haryana (Karnal)	Wheat Mill quality	955-960	950-955	+5.00
Punjab (Khanna)	Wheat Mill quality	955-960	955-960	-
Gujarat (Ahmedabad)	Wheat Mill quality	1065-1070	1075-1080	+10.00
Rajasthan (Kota)	Wheat Mill quality	1050-1060	1055-1060	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	980-985	980-985	-
Madhya Pradesh (Indore)	Wheat Mill quality	1040-1045	1045-1050	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	970-975	980-982	+10.00

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.