

## WHEAT DAILY

19<sup>th</sup> AUGUST, 2006

### SPOT MARKETS:

Wheat prices continued to hover up at the domestic spot market. Wheat dara prices surged to Rs.990-992/qrtl at the Lawrence road in Delhi with average arrival of 10000-12000 bags and rake is being loaded for South India but few. The sturdy demand from the flourmills due to strong products demand pushed the prices beyond the normal level, traders said. Wheat offered at Rs.1055-1060/qrtl at Indore and Rs.975-980/qrtl at Bhopal mandis with very few arrivals. The prices remained at Rs.1160-1165/qrtl in Bangalore mandis. The wheat products prices are also increasing in tandem with the wheat prices. The prices are expected to remain steady to up in near future. According to the source, the government run trading house MMTC Ltd. fetched three bids from international market for a tender of 120,000 tonnes of wheat. The bids were higher than the previous quote and ranges in between \$216-247, which is indicating that the international prices are climbing. Besides this, the government has issued 82 permits to import 1.847 MMt of wheat. However this did not affect the market as the imported cost is expected to be higher. Therefore the prices are likely to remain firm in the coming days.

### FUTURES MARKETS:

NCDEX wheat futures traded volatile Friday also due to profit booking at higher level. Though strong spot prices pushed up the futures prices but profit booking due to rumour that govt is considering cutting 5% import duty pulled down the prices. The futures market opened strong and went to up but fell down at last hour. Most active September contract opened at Rs.979 and settled down by Rs.1.60 at Rs.971.20, and hovered within the range of Rs.968-985.80.

### PRICE DRIVERS:

#### Bullish:

1. Higher import cost; Strong products demand
2. Sturdy demand from south India and Flourmillers

#### Bearish:

1. Markets are in overbought condition & speculation of stocks release

### WEATHER:

Heavy to very heavy falls likely at a few places over southwest Madhya Pradesh, southeast Rajasthan and Gujarat Region during next 24 hours. Isolated heavy falls also likely over Kerala and Coastal Karnataka. Therefore arrival might be affected in these regions.

### TECHNICALS:

Filled Candlestick is indicating bearish market. The %K line is going up and remained above over %D line at overbought region, while MACD up at the positive territory, indicating bullish market as medium term. Prices closed far above the 9-days and 18-days EMA, which is indicating upward market. Open interest increased but volume decreased. Prices are likely to remain volatile with steady to strong opening.



### SUPPORT / RESISTANCES:

| Month | S1         | S2         | PCP   | R1          | R2          |
|-------|------------|------------|-------|-------------|-------------|
| Sept. | 962.3      | 954.8      | 971.2 | 986.0       | 995.8       |
| Oct.  | 989.9<br>0 | 980.5<br>0 | 996.4 | 1007.<br>50 | 1013.<br>50 |

### TRADE RECOMMENDATION:

Intra day traders might take position to **Buy September** in between 972-974 with target towards 980.50, second target near 985. Put stop loss at 964.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

| Markets                  | Variety            | 17.08.06  | 18.08.06  | Change |
|--------------------------|--------------------|-----------|-----------|--------|
| Delhi (Lawrence Road)    | Wheat Mill quality | 965-970   | 990-992   | +25.00 |
| Haryana (Karnal)         | Wheat Mill quality | 945-947   | 960-962   | +15.00 |
| Punjab (Khanna)          | Wheat Mill quality | 960-965   | 965-967   | +5.00  |
| Gujarat (Ahmedabad)      | Wheat Mill quality | 1050-1055 | 1060-1065 | +10.00 |
| Rajasthan (Kota)         | Wheat Mill quality | 1010-1015 | 1040-1050 | +30.00 |
| Uttar Pradesh (Kanpur)   | Wheat Mill quality | 970-972   | 980-985   | +10.00 |
| Madhya Pradesh (Indore)  | Wheat Mill quality | 1035-1040 | 1055-1060 | +20.00 |
| Uttar Pradesh (Bareilly) | Wheat Mill quality | 940-945   | 970-975   | +30.00 |

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