

WHEAT DAILY

5th AUGUST, 2006

SPOT MARKETS:

The market sentiment for wheat is observed steady at higher level in Delhi, M.P. and Rajasthan. The rake loading for South India from Punjab and Delhi is only supported the market where as the demand from the flourmills get weakened due to weak demand for wheat products. Wheat dara prices witnessed steady at Rs.890-892/qlt with average of intake of 6000-7000 bags at the Lawrence road in Delhi. The prices remained steady to slight down in Bangalore at Rs.1060-1065/qlt. However the prices firmed up Punjab and U.P. due to robust demand and scanty arrival. Though rainfall at some parts of Punjab and Gujarat has hampered on arrival. According to the source, the Supreme Court on Friday issued notice to the Union Agriculture Minister Sharad Pawar over an appeal looking for nullifying of tenders for the import of 57 lakh tonnes of wheat alleging that those are of sub-standard quality. An Australian shipment carrying 62,419 tonne of wheat docked at the Mundra port early Thursday. They said the vessel is currently anchored at the port and unloading will commence following the phytosanitary tests. DGFT notifies extension of the time period to import 5 lakh tons of wheat by STC to 28.02.2007 instead of 31.08.2006 (as notified earlier in Feb 2006).

FUTURES MARKETS:

NCDEX wheat futures traded slight up following earlier weakness amidst strong spot prices and slight buying support from lower level. The markets was expected to come out from the worries of stock limitation to the stockists as the government did not implement it till now. Most active August contract opened at Rs.851 and settled at Rs.857.40, up by Rs.1 and traded within the range of Rs.850.20-858.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Rains weakened the market activities
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. Therefore it would be hamper on arrival.

TECHNICALS:

Candlestick is indicating bullish 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 above the 9-days and 18-days EMA, which is indicating bullish market. Open interest as well as volume decreased. Sentiments are expected to prevail rangebound with slight bullish following weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	854.1	850.2	857.4	866.5	870.5
Sept.	877.2	873.5	879.2	885.1	889.5

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy August** in between 853-854 with target towards 861.40, second target near 866.50. Put stop loss at 849.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	3.08.06	4.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	890-892	890-892	-
Haryana (Karnal)	Wheat Mill quality	860-863	863-865	+3.00
Punjab (Khanna)	Wheat Mill quality	855-860	860-862	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	982-985	980-982	-2.00
Rajasthan (Kota)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	915-920	920-922	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	880-885	885-887	+5.00

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