

WHEAT DAILY

3rd AUGUST, 2006

SPOT MARKETS:

Wheat prices witnessed steady to slight down in Delhi amidst slight higher arrival and no rake loading but it improved further at most of the region due to weak arrival and robust demand from the flourmills. Wheat dara prices quoted at Rs.893-895/mtl at the Lawrence road with average arrival of 8000-10000 bags while total intake was around 20000-22000 bags in Delhi. The rake loading is being stopped for the day from Delhi but it loaded from Punjab side for the South India. The prices witnessed steady to slight up at Rs.1060-1065/mtl in Bangalore mandis on weak arrival. The ongoing monsoon rains is hindering on arrival and stockists are still hoarding by the stocks till the prices to climb as the festival season is coming. The government is considering to restriction on stock limitation to the stockists, black marketers and hoarders, according to the source. Therefore if the government takes steps to curb stock limit then the prices would tumble down. Otherwise the prices will go up in the near future. According to the source, around 101758 metric tonnes (MT) of wheat is expected to arrive at Mundra and Tuticorin port in this week. But it is not likely to curb down the prices in near futures.

FUTURES MARKETS:

NCDEX wheat futures settled mixed Wednesday on concerns over stock limitation to the stockists. The futures market fell down after weak opening and traded bearish due to this worries and settled slight up, as the news was not confirmed. Most active August contract opened at Rs.858.20 and settled at Rs.859.40, down by Rs.0.60 and traded within the range of Rs.856.20-860.80.

PRICE DRIVERS:

Bullish:

1. Rake demand for south India and robust demand by the flourmills
2. Festive demand and weak arrival amidst rain

Bearish:

1. Concerns over stock limitation to the stockists
2. Arrival of imported wheat at the south Indian port

WEATHER:

Isolated heavy to very heavy falls also likely over Madhya Maharashtra, Konkan & Goa (including Mumbai), Chhattisgarh, East Madhya Pradesh, Vidarbha, north coastal Andhra Pradesh and Gujarat. Therefore it would be hinder on arrival.

TECHNICALS:

Candlestick is indicating bullish market. The %K line is going up and remained above over %D line at overbought region, while MACD also moving up at the negative territory, indicating firmness. Prices closed above the 9-days and 18-days EMA, which is indicating bullish market. Open interest as well as volume decreased. The prices are likely to remain strong following weak opening but might be bearish after that.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	854.9	850.4	859.4	862.8	866.9
Sept.	875.3	870.2	882.0	885.1	889.0

TRADE RECOMMENDATION:

Intra day traders might take position to **Sell August** in between 862-864 with target towards 856, second target near 852.50. Put stop loss at 867 and who has taken **long** position in wheat should take profit.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	1.08.06	2.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	895-897	893-895	-2.00
Haryana (Karnal)	Wheat Mill quality	860-862	865-870	+5.00
Punjab (Khanna)	Wheat Mill quality	850-855	855-860	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	975-980	980-982	+5.00
Rajasthan (Kota)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	905-907	905-907	-
Madhya Pradesh (Indore)	Wheat Mill quality	980-985	980-985	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	875-880	877-882	+2.00

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