

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices are maintaining strong rallies at the domestic spot market due to reduced arrival and upward demand from South India, Maharashtra, Jammu and U.P. The robust demand from the flourmills is also supportive for the prices to up. The prices are increased by Rs.15-25/qlt at most of the trading centre. Wheat dara prices quoted mostly up by Rs.20-25/qlt to Rs.965-970/qlt at the Lawrence road with average intake of 7000-8000 bags of wheat in Delhi with no rake loading as no arrival at the rake. The rake was loaded from Punjab side. The strong demand for the wheat products amidst festive season is also aggravating the situation. In addition to, the stockists are still hoarding their stocks. The prices are also surged at Rs.1150-1160/qlt in Bangalore mandis. The stockists are not eager to release their stocks as the prices showed an upward movement. The other bullish factor is strong global wheat prices due to lower production in U.S. and Europe. Therefore the imported cost of wheat at 5% duty would be much more than prevailing spot prices. The wheat import at 5% duty is not viable as the global prices are rising and it would be viable when the spot prices would touch Rs.1050/qlt, traders said.

### FUTURES MARKETS:

NCDEX wheat futures traded volatile on profit booking and strong spot prices. The futures market opened strong and went to up but fell down on profit booking and technical correction as the market are in overbought condition but recovered at the end hour. The higher imported cost and rising spot prices provided underlying support. Most active September contract opened at Rs.968 and settled up by Rs.13 at Rs.977, and traded within the range of Rs.958-977.60.

### PRICE DRIVERS:

#### Bullish:

1. Stocks hoarding inducing poor arrival; Strong products demand
2. Robust demand from South India and Flourmillers

#### Bearish:

1. Strong arrival of imported wheat

### WEATHER:

Rain/thundershowers are likely at many places over Gujarat State, north Madhya Maharashtra, M.P. Increase in rainfall activity over northeastern states and Gangetic Plains. Therefore arrival might be affected in these region.

### TECHNICALS:

Unfilled Candlestick is hinting upward prices. The %K line is going up after made a bullish cut with its %D line at overbought region, while MACD remained above at the positive territory, indicating strong price as medium term. Prices closed far above the 9-days and 18-days EMA, which is indicating bullish market. Open interest increased but volume decreased. Sentiments are expected to remain strong following steady to strong opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	953.4	940.5	966.0	976.2	985.8
Sept.	965.4	955.6	977.0	990.5	999.2

### TRADE RECOMMENDATION:

Intra day traders might take position to **Buy September** in between 976-981 with target towards 990.50, second target near 999. Put stop loss at 968.

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

Markets	Variety	16.08.06	17.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	945-950	965-970	+20.00
Haryana (Karnal)	Wheat Mill quality	925-930	945-947	+20.00
Punjab (Khanna)	Wheat Mill quality	950-955	960-965	+10.00
Gujarat (Ahmedabad)	Wheat Mill quality	1025-1030	1050-1055	+25.00
Rajasthan (Kota)	Wheat Mill quality	1010-1015	1010-1015	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	955-960	970-972	+15.00
Madhya Pradesh (Indore)	Wheat Mill quality	1030-1035	1035-1040	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	935-937	940-945	+5.00

## 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.