

WHEAT DAILY

29th AUGUST, 2006

SPOT MARKETS:

Wheat prices plummeted down on Monday in leading mandis across the country on reduced offtake by the flourmills despite rake demand from South. Wheat darr prices have quoted down to Rs.975-980/qlt with average arrival of 10000-12000 bags at the Lawrence road mandis in Delhi. The rake loading stopped for the day from Delhi and Punjab. The government empowered to the all states to impose stock limits for the stockists, therefore the wheat prices got down mostly, traders said. The prices got down in Bangalore mandis and quoted at Rs.1160-1165/qlt. Traders said, the government has implemented stock limits in Rajasthan therefore the market remained closed. But they said that this is time taking procedure so the prices would not continue this downtrend direction. On the other hand, the Roller mills in south India have contracted to import of around 45,000 tonne wheat from Australia's AWB at \$229 a tonne. The deal, however, is yet to be finalized. As per the Bangalore-based miller, the imported cost of wheat from AWB would a little over Rs 12,000 a tonne at mill gate after adding 5.1 per cent duty, clearing and gunny charges, phytosanitary clearance and inland transportation charges. Owing to the shortfall in procurement of the wheat for PDS, the government has declared to import of an additional 20-lakh tonnes of wheat at zero customs duty.

FUTURES MARKETS:

NCDEX wheat futures settled down and recovered from its mostly lower side on Monday. The futures market traded mostly weak following mostly weak opening amidst stock limitation order by the government and weak spot market but profit booking at lower side pushed up the prices and settled down as compared to last close. Most active September contract opened at Rs.962 and got down by Rs.9 at Rs.980.80, and traded in between Rs.973.20-987.

PRICE DRIVERS:

Bullish:

1. Stocks hoarding as festive season & weak arrival

Bearish:

1. Govt imposed stockholding limits in wheat
2. Govt. allowed to import of 2-MMt wheat at duty-free

WEATHER:

The arrival might not be affected due to rains in producing regions.

TECHNICALS:

Filled Candlestick with long lower shadow is hinting slight upward market. The %K line is going down to cut %D line at neutral region, while MACD down at the positive territory, hinting steady to down as medium term. Prices closed between the 9-days and 18-days EMA, which is hinting steady market. Open interest decreased but volume increased. Wheat prices are expected to remain weak following steady to weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	945.4	938.0	954.0	964.0	970.0
Oct.	971.0	964.5	980.8	988.2	994.5

TRADE RECOMMENDATION:

Intra day traders might take position to **Sell** **September** in between 952-956 with target towards 945, second target near 938. Put stop loss at 961.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	28.08.06	29.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1000-1005	975-980	-25.00
Haryana (Karnal)	Wheat Mill quality	980-982	970-975	-10.00
Punjab (Khanna)	Wheat Mill quality	970-972	965-970	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1085-1090	1080-1085	-5.00
Rajasthan (Kota)	Wheat Mill quality	1070-1075	Closed	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	995-1000	990-995	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1070-1075	1040-1050	-30.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	995-1000	970-975	-25.00

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