

WHEAT DAILY

30th AUGUST, 2006

SPOT MARKETS:

The market sentiment for wheat moved up on Tuesday at the domestic market from its recent weakness. The market stumbled down recently due to the stock limitation order and slowdown in buying by roller flourmills and retailers. But the sentiment motivated to strong amidst almost poor arrival due to the stockists was not selling their stocks. The weakness in future trading at NCDEX too attributed to the fall in commodity prices at wholesale cash market. At Lawrence road market in Delhi, wheat dara (for mills) quoted at Rs.985-990/qlt with average intake of 5000-7000 bags with no rake loading, as there was no arrival at the rake despite strong demand of rake. The prices are restricted at Rs.1160-1165/qlt in Bangalore mandis. Gujarat government is not intended to impose stock limits on wheat, traders said. The government has empowered to all states to impose stock limits. However the government did not specify what the ceilings were, or when they will come into force. Therefore stock limitation alone could not curb the prices as availability continues to be low. Besides, India has issued 113 permits to the private parties for import of totalled 2.912 MMt wheat. The market sentiment for wheat is likely to soften in near future due to scheduled delivery of over 7.5 lakh tonnes (Lt) of imported stock by next month.

FUTURES MARKETS:

NCDEX wheat futures recovered from its lower side and finished up on strong spot prices on Tuesday. The futures market went to lower side following weak opening but buying support pushed up the prices later on. The government did not specify what the ceilings were about stock limitation, or when they will come into force therefore fresh buying support triggered the prices to up. Most active September contract opened at Rs.955 and got up by Rs.14 at Rs.968, and traded in between Rs.952.60-968.00.

PRICE DRIVERS:

Bullish:

1. Stocks hoarding as festive season & mostly weak arrival
2. Not imposing of stock limitation in any state till now

Bearish:

1. Wheat likely to decline as 7-Lt of imports to reach

WEATHER:

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

TECHNICALS:

Unfilled Candlestick is indicating bullish market. The %K line is going down following made a bearish cut with its %D line at neutral region, while MACD slight down at the positive territory, hinting steady to down as medium term. Prices closed above the 9-days and 18-days EMA, which is hinting up market. Open interest as well as volume decreased. Wheat prices are likely to remain firm following steady to strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	961.5	955.2	968.0	973.2	978.5
Oct.	983.2	977.0	988.0	995.0	1000

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy September** above 965 with target towards 973.20, second target near 978.50. Put stop loss at 959.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	29.08.06	30.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	975-980	985-990	+10.00
Haryana (Karnal)	Wheat Mill quality	970-975	970-975	-
Punjab (Khanna)	Wheat Mill quality	965-970	970-973	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1080-1085	1085-1087	+5.00
Rajasthan (Kota)	Wheat Mill quality	Closed	1045-1050	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	990-995	1000-1005	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1040-1050	1050-1055	+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	970-975	975-977	+5.00

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