

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices gained Rs.5-10/qrtl at most of the trading centre in the country on reduced arrival and strong rake demand from South India. Wheat dara prices quoted up at Rs.905-910/qrtl with scanty arrival of 5000-6000 bags at the Lawrence road in Delhi Wednesday. The rake loading is being stopped for the day due to no arrival at the rake in Delhi. The robust demand from the flourmills is aggravating the situation in this state. The M.P. mandis remained almost closed today for Rakshabandhan festival. The rake was loaded from Punjab side for South India today. The cost of wheat import is proving costlier plan as the world wheat prices have been increasing since the first tender floated by the STC in February 2006. A quantity of 7.65 lakh tonnes (Lt) of imported wheat out of 30 lakh tonnes contracted would reach Indian ports by the end of this month. Therefore arrival at the markets is expected to boost up at the end of this month. But the expected strong demand is likely to offset the strong arrival in festival season. Therefore the prices will be trade higher at this time, traders said. The current import news by the STC, MMTC and PEC could not pulled down the prices as the imported cost is seemed to be mostly higher.

### FUTURES MARKETS:

NCDEX wheat futures continued to increase on firm spot prices and speculative buying. The higher imported cost is supported the futures market. Futures market opened steady to weak and traded bullish but set back from day's higher level. Most active September contract opened at Rs.900.20 and settled up by Rs.3.60 at Rs.903.80, and traded within the range of Rs.898.20-905.00.

### PRICE DRIVERS:

#### Bullish:

1. Robust demand from flourmills & South India
2. Higher imported cost; Weak arrival

#### Bearish:

1. Around 7.65 Lt imported wheat arrives by end august
2. India traders seek permits to import 1 MMt wheat

### WEATHER:

Isolated to scattered rainfall over Punjab, Uttaranchal, Haryana and west U.P. during next 24-36 Hrs. Isolated heavy to very heavy falls are also likely over Gujarat Region, southeast Rajasthan, West Madhya Pradesh. Therefore it would be hindered on arrival.

### TECHNICALS:

Candlestick is hinting bullish market. The %K line is moving up and prevailed above %D line at overbought region, while MACD going up at the positive territory, indicating strong price. Prices closed far above the 9-days and 18-days EMA, which is hinting upward market. Open interest increased but volume decreased. Wheat prices are likely to trade up after steady to strong opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
August	870.4	865.5	876.8	885.4	890.2
Sept.	900.2	895.8	903.8	910.5	915.6

### TRADE RECOMMENDATION:

Intra day traders might take position to **Buy September** in between 900-902 with target towards 908, second target near 913. Put stop loss at 896.

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

Markets	Variety	8.08.06	9.08.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	897-900	905-910	+8.00
Haryana (Karnal)	Wheat Mill quality	865-870	870-872	+5.00
Punjab (Khanna)	Wheat Mill quality	860-865	870-875	+10.00
Gujarat (Ahmedabad)	Wheat Mill quality	985-987	985-987	-
Rajasthan (Kota)	Wheat Mill quality	980-985	985-990	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	920-922	920-922	-
Madhya Pradesh (Indore)	Wheat Mill quality	975-980	Closed	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	885-887	880-885	-5.00

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