

## WHEAT

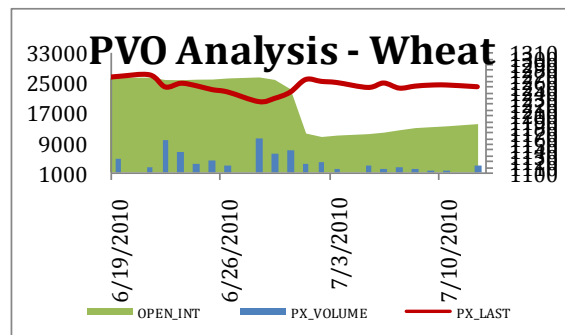
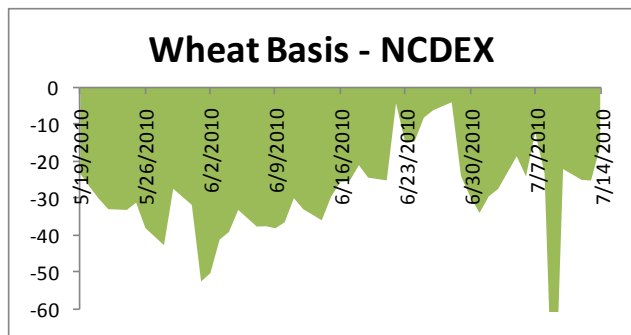
Wheat futures traded on a positive note on good demand amid weak arrivals in the physical market. Also higher international prices of wheat impacted slightly on domestic market too. Reports of government plans on imposition of tax also the wheat price firm. the active August contract traded in the range of 1240 to 1269 levels and finally settled at 1258 levels with a positive change of 0.35 per cent

### Futures prices

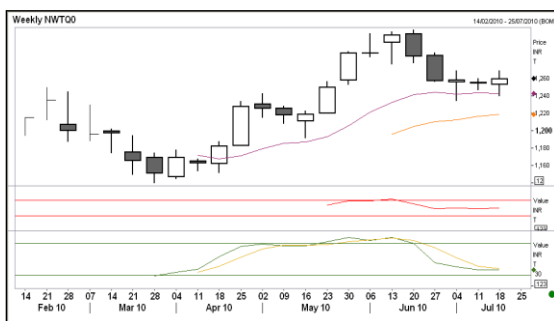
Exchange	Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
NCDEX	Aug-10	1253.00	1269.00	1240.00	1259.00	0.35	40230.00	224.70	17080.00	-25.38
MCX	Aug-10	1225.00	1227.00	1205.00	1210.00	-1.22	90.00	125.00	54.00	-40.00

### Outlook:

Wheat futures are expected to trade on a positive note on account of good demand in the physical market with fresh arrivals. Also there are rumors in the market that India is likely to impose tax on wheat imports, which may led the prices to go up. Farm Minister Sharad Pawar on Friday said that India is likely to make a decision next week on whether to impose a tax on wheat imports and also allow exports of some varieties of non-basmati rice. The government could impose duty to discourage cheap wheat imports following a bumper crop and overflowing godowns and could also allow export of some varieties of non-basmati rice. Also higher global prices due to drop in output in European Zone has fueled the hopes of wheat exports among traders in India. Also there are talks in the market that the government may lift the two year ban on wheat export due to over flowing stocks with government agencies amid lack storage space. Mr Pawar indicated that the price of wheat sold in the open market, or open market sale scheme (OMSS), by the government could be slashed further to encourage speedier off take by states and freeing up of storage space.



### Technical Analysis



### Wheat August NCDEX

Wheat August future prices traded sideways to higher in last week by extending the previous trend. After making a high of 1269 it settled at 1258 levels. Market is in consolidation phase for the past three week and moving in the band of 1234-1269 levels. Either side break out would confirm the trend. However, trading above the weekly short term EMA suggests market to remain upside. Moreover, if market breaches the resistance at 1269 levels possible to test 1292 levels. We expect prices to trade higher and recommend buying .

**Recommendation:** Buy in the range 1250-54 TP 1274/ 1292 SL 1233

## CHANA

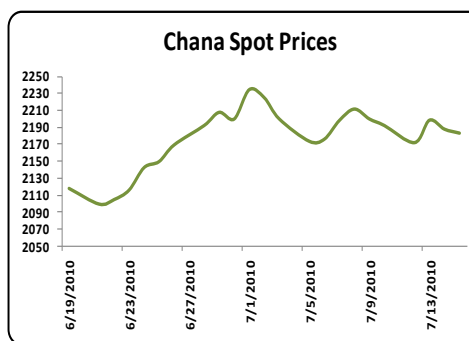
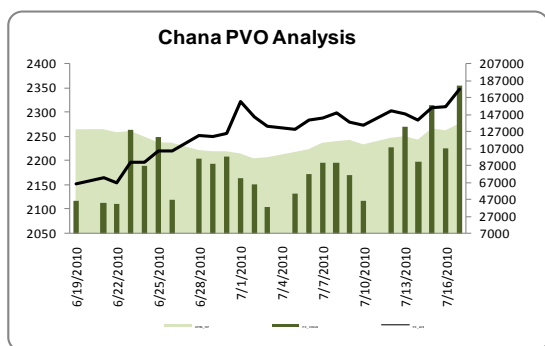
Chana futures are witnessed a sharp rally due to rising demand from retailers and stockiest amid restricted supplies. Also reports of lower rainfall in major Kharrif growing regions and enquiries from dal millers led to a sharp rise in futures market. The active august contract on NCDEX platform rose by over 100 rupees to make a high of 2355 levels after making a low of 2256 and finally ended at 2351 levels with a change of 3.3 per cent

### Futures prices

Contract	Open	High	Low	Close	%Change	Volume	%cChange	Open Interest	%change
August	2269	2355	2256	2348	3.30	779170	80.18	136390	21.68
September	2318	2410	2308	2405	3.49	214170	238.45	86530.00	113.81
October	2390	2484	2484	2481	3.50	28480	35.62	35450	23.48

### Outlook

Chana futures are expected to trade on a positive note on strong demand from both retailers and dal millers with tight supplies in physical market. Millers are showing interests in buying at lower levels and enquiries are coming in from retailers too. Restricted arrivals at spot market from the producing regions of Rajasthan and Madhya Pradesh supported the uptrend in futures trade. Stockiest are not releasing their stocks into the market on anticipation of further rise in prices. Daily arrivals were reported at 25 motors compared to 35 to 45 motors during last week. While the spot price is hovering around 2200 rupees per quintal compared to 2280 rupees per quintal during last week. Good export demand for Kabuli Chana is also having impact on Chana prices in the futures market. The export prices of kabuli Chana have touched \$1,000 a tonne against \$900 last week due to concerns of crop damage of kabuli Chana in Mexico. Demand for Chana dal and flour usually goes up during monsoon months as supply of vegetables drops in wet weather and also due to the start of the festival season in August



### Technical Analysis



**2380 then 2420 with stop loss at 2288**

Chana August future prices traded higher in last week by reversing the previous trend. After making a low of 2256 prices settled higher at 2348 levels. In daily chart market is witnessing a trend line support at 2330 levels. Sustained trade above the 2230 levels is possible to push the prices on higher side. On the higher side market is witnessing a stiff resistance at 2360 (38.2% retracement of the range 2162-2674 levels). On break above likely to extend its gains till 2420 levels. The momentum indicator RSI (14) weekly is trading at 056 levels and showing a high potential. We expect prices to trade higher and recommend buying.

**Recommendation: Buy in the range 2310-2330 targeting**

## MAIZE

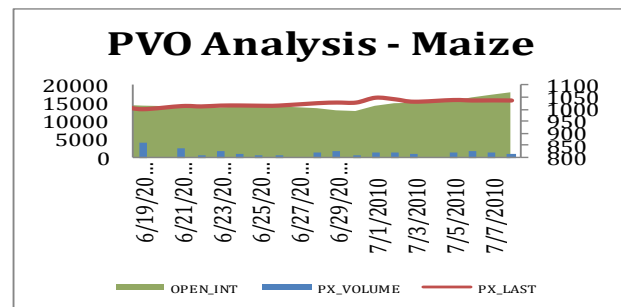
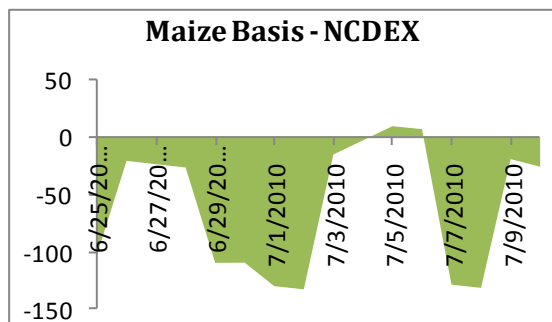
Maize futures witness all time highs during last week on slow progress of Kahriff sowing and also strong demand from feed millers and starch industry. Maize futures on NCDEX platform made a high of 1103 levels after making a low of 1053 and settled at 1097 levels with a positive change of 2.07 per cent

### Futures prices

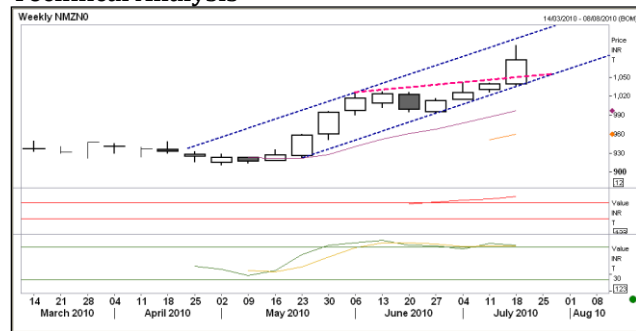
Exchange	Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
NCDEX	Jul-10	1039	1100	1037	1061.5	2.07	7960	10.10	5540	-38.72
NCDEX	Aug-10	1052	1103	1052	1099	4.47	17420	84.34	20680	11.36

### Outlook

Maize futures are expected to trade on a positive note on account of strong demand from feed millers and exporters. The spot prices of Maize in Nizamabad markets have rose to 1045 per quintal, up rupees 35 compared to last week. Maize prices went up in spot market because of good demand from poultry feed and starch manufacturers. Stockiest are also releasing their stocks in lower quantities hoping further price rise. India's maize production in 2009-10 is expected to be almost 20 million tonne, up from 19.37 million tonne last year. According to government officials According to latest reports of Ministry of Agriculture, Kahriff coarse grain area so far 10.72 million ha against 9.52 million



### Technical Analysis



### Maize August

Maize august future prices witnessed a sharp rally in last week by gaining as much as 2.07 % from previous close. Market is hovering in trend channel and expected to continue the same trend for this week. The key level to watch is at 1054 levels. Only on break below possible to reverse the trend. Trading above the weekly short term EMA suggests prices to remain higher. We expect prices to trade higher and recommend buying.

**Recommendation:** Buy in the range 1080-1085 targeting 1120 then 1140 with stop loss at 1055

## Disclaimer

The report contains the opinions of the author that are not to be construed as investment advice. The author, directors and other employees of Karvy, and its affiliates, cannot be held responsible for the accuracy of the information presented herein or for the results of the positions taken based on the opinions expressed above. The above-mentioned opinions are based on the information which is believed to be accurate and no assurance can be given for the accuracy of this information. There is risk of loss in trading in derivatives. The author, directors and other employees of Karvy and its affiliates cannot be held responsible for any losses in trading.

Commodity derivatives trading involve substantial risk. The valuation of the underlying may fluctuate, and as a result, clients may lose their entire original investment. In no event should the content of this research report be construed as an express or an implied promise, guarantee or implication by, or from, Karvy Comtrade that you will profit or that losses can, or will be, limited in any manner whatsoever. Past results are no indication of future performance. The information provided in this report is intended solely for informative purposes and is obtained from sources believed to be reliable. Information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. We do not offer any sort of portfolio advisory, portfolio management, or investment advisory services. The reports are only for information purposes and not to be construed as investment advice.

For a detailed disclaimer please go to following URLs:

<http://www.karvycomtrade.com/disclaimer.asp>

<http://www.karvycomtrade.com/riskDisclaimer.asp>