

WHEAT DAILY

14th SEPTEMBER, 2006

SPOT MARKETS:

Wheat traded firm in most of the market on Wednesday on strong buying activity and weak arrival despite imposing of stock limitation order on wheat in Maharashtra, Karnataka and Gujarat. Wheat dard traded at Rs.1005-1010/qrtl with average intake of 7000-8000 bags at the Lawrence road mandis in Delhi. The products demand has been gradually increasing, which exacerbate the wheat prices to up. On the other hand, the strong international wheat prices faded the wheat import by the private traders. The stockists are still hoarding their stocks and therefore the arrival is decreasing. The stockists are not interested to sell their stocks at lower level as the festive season is coming. However the government has imposed stock limitation on wheat in Maharashtra, Gujarat and Karnataka, according to the source. Traders said, Delhi, UP, Haryana is likely to impose stock limit in this week. But the spot prices did not affected due to this news but it drastically fell down at the futures market. The wheat prices also got strong in Bangalore mandis and quoted at Rs.1180-1185/qrtl. Traders said, the spot prices might be going down in near future but the trend will be just for short term not for long term.

FUTURES MARKETS:

NCDEX wheat futures drastically fell down on Wednesday due to the imposing of stock limitation order in some states. Therefore profit booking at higher level and speculative selling pressure pulled down the wheat prices despite strong spot prices. The futures market opened mostly down and traded mostly weak through out the trading session. Most active October contract opened at Rs.986.20 and settled down Rs.26.80 at Rs.967 and traded in between Rs.962.60-989.80 and September contract traded in between Rs.950.00-965.40 while December contract got down by Rs.29.20 to Rs.962.20.

PRICE DRIVERS:

Bullish:

1. Higher import cost; Festive demand; Weak arrival
2. Govt likely to increase prices for PDS wheat

Bearish:

1. Govt imposed stock limit in Maharashtra, Gujarat, Karnataka
2. Higher arrival of imported wheat

WEATHER:

The arrival might not be affected due to rain at the producing region.

TECHNICALS:

Candlestick is indicating bearish market while %K line going down after made a bearish cut with its %D line at neutral region. MACD showed steady market at the positive territory. Prices closed below the 9-days and 18-days EMA, which is indicating bearish market. Open interest decreased but volume increased. Wheat prices are likely to remain bearish following steady to weak opening in the coming day.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	945.4	940.5	953.4	957.2	963.2
Oct.	950.5	944.5	967.0	970.5	977.5

TRADE RECOMMENDATION:

Intra day traders might take position to **Sell** October between 965-969 with target towards 955, second target near 950.50. Put stop loss at 977.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	12.09.06	13.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1000-1005	1005-1010	+5.00
Haryana (Karnal)	Wheat Mill quality	975-980	970-975	-5.00
Punjab (Khanna)	Wheat Mill quality	990-995	990-995	-
Gujarat (Ahmedabad)	Wheat Mill quality	1100-1105	1100-1105	-
Rajasthan (Kota)	Wheat Mill quality	1035-1040	1040-1043	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1045-1050	1050-1055	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1075-1080	1085-1090	+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1005-1010	1015-1020	+10.00

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