

WHEAT DAILY

30th SEPTEMBER, 2006

SPOT MARKETS:

Wheat remains weak in the wholesale grain market in Delhi owing to the lack of buying support. Wheat data quoted at Rs.995/mtl with average arrival of 8000-10000 bags at the Lawrence road market in Delhi. However, it was offered on an average steady in other markets of the country. Government has allocated 1-lakh ton additional wheat for the month of September on request from States and Union Territories. Govt expects that this would check price rise and help beneficiaries to meet the increased requirement of foodgrains during the festival season. The Central Government has made it clear that it would not extend duty free wheat import for private trade beyond the earlier set time limit of 31st December of this year. Meanwhile, the International Grains Council (IGC) has cuts global wheat production estimates by 5 million metric tons from its last month estimates to 588 million metric tons.

FUTURES MARKETS:

At the futures market the wheat futures witnessed downward trade following a firm opening initially. However, increased buying interest at the lower levels supported the futures thereafter and the futures retraced back again in late action. The October contract traded in the range of Rs.963.00-971.60 and November contract moved in the range of Rs. 985.40-997.00.

PRICE DRIVERS:

Bullish:

1. Moderate demand at the spot markets due to festival season
2. Moderate demand from flourmills
3. Govt not to extend time limit of duty free import beyond Dec
4. IGC cuts global wheat output estimates to 588 Mt

Bearish:

1. Govt allocated 1-lakh ton additional wheat for September
2. Over 15 lakh tonne imported wheat touched Indian ports

WEATHER:

The present weather conditions are unlikely to adversely affect the regular arrival in the markets.

TECHNICALS:

Candlesticks formation is hinting steady to firm opening and initial uptrend. The %K-line has made a bearish crossover with the %D-line, hinting likely downtrend. Prices closed just above 9-day and 18-day EMA, hinting firm prices. MACD remains steady in positive territory. Open interest as well as the volume of trade has increased as against Thursday. Wheat prices at the physical as well as futures market are likely to move upwards initially following a steady to firm opening with possibility of late downtrend.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	999	994	1008.6	1017	1022

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy NCDEX-December** at 1005-1010 with target towards 1015, second target near 1020. Put stop loss at 998.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	29.09.06	28.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	995	1000-1005	-10.00
Haryana (Karnal)	Wheat Mill quality	965-970	965-970	-
Punjab (Khanna)	Wheat Mill quality	990-995	985-990	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1085-1090	1085-1090	-
Rajasthan (Kota)	Wheat Mill quality	1030-1035	1030-1035	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1030-1035	1030-1035	-
Madhya Pradesh (Indore)	Wheat Mill quality	1015-1020	1015-1025	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	980-985	980-985	-

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