

WHEAT DAILY

11th SEPTEMBER, 2006

SPOT MARKETS:

Wheat prices observed steady at higher level at the wholesale grains market at most of the mandis on Saturday amidst stockists buying and reduced arrival coupled with products demand for festive season. Wheat dara prices quoted at Rs.1002-1005/qrtl with average intake of 8000-10000 bags including rake at the Lawrence road in Delhi. One rake is being loaded from this state for South and other rake was loaded from Punjab, traders said. The Finance Minister said on Friday that the private traders would be able to import wheat at 5% duty, which underpinned the market. At Narella and Najafgarh mandis, wheat has traded strong at Rs.965-970/qrtl with totalled intake of 1500-2000 bags. Mill quality wheat registered strong in Bangalore mandis at Rs.1170-1175/qrtl. However the market remained mostly firm in Haryana and U.P. amidst mostly weak arrival due to stocks hoarding. Besides, the four companies AWB, Glencore, Concordia and Toepfer have been shortlisted for the supply the wheat. AWB won the lion's share of the business and grabbing 550,000 tonnes of wheat. The STC has suggested the government should import the whole 1.67 MMt of wheat at an average price of \$229 per tonne cost and freight, which is fading the wheat import by the private players due to higher landed cost for wheat. The overall outlook for wheat is bullish.

FUTURES MARKETS:

NCDEX wheat futures recovered Saturday in rangebound trading activity amidst steady spot prices. The F.M. ruled out the private wheat import at 0% duty, which has underpinned the market. The futures market opened mostly strong and traded rangebound with up. Most active October contract opened at Rs.990 and settled up Rs.6.20 at Rs.993.40 and traded in between Rs.988.40-995.

PRICE DRIVERS:

Bullish:

1. Strong futures market; Festive demand
2. FM: Ruled out duty free wheat import by private traders

Bearish:

1. Government intervention

WEATHER:

The arrival might be not affected at the producing region due to rainfall, as there was no clear forecast of rainfall from the IMD.

TECHNICALS:

Candlestick is indicating indecision market while %K line going up and remained above over %D line at neutral region. MACD showed steady market and remained at the positive territory. Prices closed above the 9-days and 18-days EMA, which is indicating strong market. Open interest and volume decreased. Wheat prices are likely to trade rangebound with up following steady to weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	961.5	955.6	970.0	973.0	977.0
Oct.	983.5	977.5	993.4	997.0	1002

TRADE RECOMMENDATION:

Intra day traders might take position to **Sell** October between 992-995 with target towards 983, second target near 977.50. Put stop loss at 1000.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	8.09.06	9.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1002-1005	1002-1005	-
Haryana (Karnal)	Wheat Mill quality	955-960	975-980	+20.00
Punjab (Khanna)	Wheat Mill quality	985-990	985-990	-
Gujarat (Ahmedabad)	Wheat Mill quality	1090-1095	1090-1095	-
Rajasthan (Kota)	Wheat Mill quality	1035-1040	1035-1040	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1030-1035	1035-1040	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1055-1060	1055-1060	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	995-1000	1000-1005	+5.00

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