

## WHEAT DAILY

26<sup>th</sup> SEPTEMBER, 2006

### SPOT MARKETS:

Wheat prices firmed in the wholesale grain market in Delhi at the start of this week owing to the festive demand. Wheat dara quoted at the higher side of Rs.1000-1005/qrtl with average arrival of 10000-12000 bags at the Lawrence road market in Delhi. Demand was reported to have offset the market supply and consequently prices remained at the higher side. At Narella and Najafgarh markets it was quoted at Rs.960-970/qrtl with arrival of 2000-2200 bags. In most of the other markets, wheat was offered at an unchanged price as against Saturday. The uncertainty over the stock limits imposition in other states, continue to weigh down in the markets. Talks of likely imposition of stock limits on wheat in Delhi pressurised the prices. Over 15 lakh tonne of imported wheat has so far arrived at Indian ports.

### FUTURES MARKETS:

At the futures market the wheat futures witnessed an upward trade following a firm opening. The prices remained at the higher side in the initial hours, but profit taking capped further advances and the futures wiped away most of the early advances. However, the futures managed to hold some gains in final action. The October contract traded in the range of Rs.971.40-979.80 and November contract moved in the range of Rs. 994.00-1003.00 during Monday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Fresh demand from South India, Assam and Maharashtra

#### Bearish:

1. Uncertainty over imposition of stock limits in Delhi/Rajasthan
2. Lack of buying interest from flourmills
3. Over 15 lakh tonne imported wheat touched Indian ports till now

### WEATHER:

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

### TECHNICALS:

Candlesticks formation is hinting steady to weak opening and initial downtrend. The %K-line after making a bullish crossover with the %D-line, moving slightly upwards, hinting further uptrend. Prices closed above 9-day and 18-day EMA, hinting firm prices. MACD has just entered the positive territory. Open interest remain steady, while volume of trade has increased as against Saturday. Wheat prices at the physical as well as futures market are likely to remain moderately bearish following a steady to weak opening with possibility of late uptrend.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1000	990	1009.2	1020	1029

### TRADE RECOMMENDATION:

Intra day traders might take position to **Sell December** at 1010-1015 with target towards 1000, second target near 995. Put stop loss at 1021.

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

Markets	Variety	24.09.06	23.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1000-1005	990-995	+10.00
Haryana (Karnal)	Wheat Mill quality	960-965	960-965	-
Punjab (Khanna)	Wheat Mill quality	985-990	985-990	-
Gujarat (Ahmedabad)	Wheat Mill quality	1090-1095	1090-1095	-
Rajasthan (Kota)	Wheat Mill quality	1025-1030	1025-1030	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1015-1020	1020-1025	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1020-1030	Closed	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	980-985	990-995	-10.00

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