

## WHEAT DAILY

03<sup>rd</sup> OCTOBER, 2006

### SPOT MARKETS:

Wheat witnesses firm sentiment at the wholesale grain market in Delhi owing to lower arrival amidst higher demand. Wheat dara quoted higher at Rs.998-1000/qrtl with average arrival of 5000-6000 bags at the Lawrence road market in Delhi. Moreover, it was offered on an average higher 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. 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 31<sup>st</sup> December of this year. The statement has put a bullish impact on wheat prices in the futures market. 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 at the NCDEX witnessed upward trade following a mixed opening. Increased buying interest at the lower levels supported the market and the futures settled in the positive territory in final action. The October contract traded in the range of Rs.967.00-971.40 and November contract moved in the range of Rs. 992.60-995.00 during Saturday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Higher 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 along with the %D-line moving indecisively in the normal region. Prices closed above 9-day and 18-day EMA, hinting firm prices. MACD remains steady in positive territory. Open interest has declined, while the volume of trade remained thin as against Friday. Wheat prices at the physical as well as futures market are likely to remain firm following a steady to higher opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1002	995	1010	1017	1024

### 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 999.

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

Markets	Variety	30.09.06	29.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	998-1000	995	+5.00
Haryana (Karnal)	Wheat Mill quality	965-970	965-970	-
Punjab (Khanna)	Wheat Mill quality	995-1000	990-995	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1085-1090	1085-1090	-
Rajasthan (Kota)	Wheat Mill quality	1040-1045	1030-1035	+10.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1035-1040	1030-1035	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1020-1025	1015-1020	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	980-985	980-985	-

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