

WHEAT DAILY

25th SEPTEMBER, 2006

SPOT MARKETS:

Wheat prices remained on an average range bound in the wholesale grain market in Delhi on Saturday amidst lacklustre weekend trade. Wheat data quoted at the lower side of Rs.990-995/qlt with arrival of 10000-12000 bags at the Lawrence road market in Delhi. Arrival was reported to have offset the market demand and consequently prices remained at the lower side. At Narella and Najafgarh markets it was quoted at Rs.950-960/qlt with arrival of 2000-2300 bags. In Uttar Pradesh and Punjab markets, wheat was offered at an unchanged price, while in Haryana and Rajasthan markets it was quoted lower as against Friday. 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.

FUTURES MARKETS:

At the futures market the wheat futures witnessed a range bound bearish trade following a marginally higher opening. The futures hovered within a narrow range amidst thin trading activities. The near month contracts finished in the negative territory, while the far month contracts managed to hold some gains in late action. The October contract traded in the range of Rs.971.00-974.00 and November contract moved in the range of Rs. 992.40-995.20 during Saturday'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

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 bearish crossover with the %D-line, moving slightly downwards, another bearish indication. Prices closed above 9-day and 18-day EMA, hinting firm prices. MACD has just entered the negative territory. Open interest remain steady, while volume of trade has declined as against Friday. Wheat futures are likely to trade moderately downwards following a weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1000	995	1008.8	1015	1020

TRADE RECOMMENDATION:

Intra day traders might take position to **Sell December** at 1010-1015 with target towards 1001, second target near 996. Put stop loss at 1020.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	23.09.06	22.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	990-995	990-995	-
Haryana (Karnal)	Wheat Mill quality	960-965	965-970	-5.00
Punjab (Khanna)	Wheat Mill quality	985-990	985-990	-
Gujarat (Ahmedabad)	Wheat Mill quality	1090-1095	1095-1100	-5.00
Rajasthan (Kota)	Wheat Mill quality	1025-1030	1025-1035	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1020-1025	1020-1025	-
Madhya Pradesh (Indore)	Wheat Mill quality	Closed	Closed	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	990-995	990-995	-

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