

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat market observed range bound with slight bearish sentiment on Tuesday at most of the trading centre amidst slight dull buying activity. Wheat dard traded at Rs.1000-1005/qrtl at the Lawrence road mandis in Delhi with average arrival of 11000-13000 bags including rake. The rake is being loaded for Assam from this state, traders said. The demand from the flourmills witnessed steady and products demand also got steady. The market strengthened in Kota and Gujarat mandis due to mostly poor arrival. Wheat mill quality traded at Rs.1170-1175/qrtl in Bangalore market. However the trend was bullish for wheat market despite several measures announced by the Government to check rise in the commodity prices and registered further gains. Government abolished the 5% import duty on wheat for private traders to increase supply of the foodgrains in the wake of its spiraling prices. But the market is still going up. Besides, the Centre might be increase wheat prices under its Public Distribution Scheme (PDS) programme, which exacerbated the wheat prices to up at the spot market. The import price for wheat is sharply increased by 33% in the last seven months. Between the first tender for wheat import floated in February and the fifth tender opened this month. Traders said imposing of stock limit in all states only could reduce the wheat prices.

### FUTURES MARKETS:

NCDEX wheat futures traded rangebound with slight down Tuesday in modest trading activity due to lack of fresh buying interest. The steady to slight down spot prices also supported the futures market. Markets traded within the narrow range following weak opening. Most active October contract opened at Rs.995.80 and settled down Rs.2.80 at Rs.993.40 and traded in between Rs.991.20-998.

### PRICE DRIVERS:

#### Bullish:

1. Higher import cost; Festive demand; Weak arrival
2. Govt likely to increase prices for PDS wheat

#### Bearish:

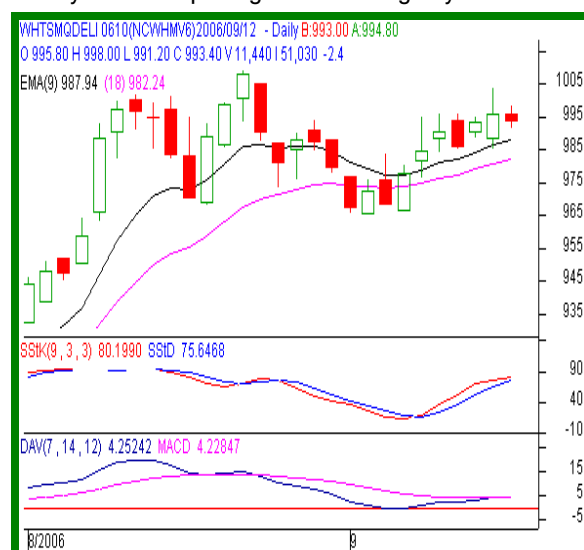
1. Overbought condition
2. Higher arrival of imported wheat

### WEATHER:

The arrival might not be affected due to rain at the producing region.

### TECHNICALS:

Candlestick is indicating indecisive market while %K line going down but remained above %D line at overbought region. MACD showed steady market 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 in the coming day.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	966.0	961.5	967.6	977.0	983.0
Oct.	990.0	984.5	993.4	1005	1010

### TRADE RECOMMENDATION:

Intra day traders might take position to **Buy October** between 988-991 with target towards 998, second target near 1005. Put stop loss at 982.50.

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

Markets	Variety	11.09.06	12.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1002-1005	1000-1005	-2.00
Haryana (Karnal)	Wheat Mill quality	977-982	975-980	-2.00
Punjab (Khanna)	Wheat Mill quality	990-995	990-995	-
Gujarat (Ahmedabad)	Wheat Mill quality	1095-1100	1100-1105	+5.00-
Rajasthan (Kota)	Wheat Mill quality	1025-1030	1035-1040	+10.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1045-1050	1045-1050	-
Madhya Pradesh (Indore)	Wheat Mill quality	1075-1080	1075-1080	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1010-1015	1005-1010	-5.00

## Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.