

WHEAT DAILY

27th SEPTEMBER, 2006

SPOT MARKETS:

Wheat continues to rule firm in the wholesale grain market in Delhi owing to the festive demand and lower arrival. Wheat dara quoted at the higher side of Rs.1005-1010/qrtl with average arrival of 8000 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 higher as well due to weak arrival. In most of the other markets, wheat was offered at higher price levels as against Monday. Traders attributed the festive demand as the sole reason for the firmness in wheat prices. Moreover, arrivals were not as per expectations. The uncertainty over the stocks limits still prevails as most of states are yet to impose the limits as earlier expected.

FUTURES MARKETS:

At the futures market the wheat futures witnessed an upward trade following a firm opening. However, the futures remained mostly range bound thereafter amidst thin volume of trade and finished with marginal gains in final action. The October contract traded in the range of Rs.971.40-976.00 and the November contract moved in the range of Rs. 993.00-997.20 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. Fresh demand from South India, Assam and Maharashtra
2. Lower arrival amidst higher festive demand

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 indecision in the market. The %K-line after making a bullish crossover with the %D-line, moving upwards in the normal region, 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 declined as against Monday. Wheat prices at the physical as well as futures market are likely to move slightly downwards initially following a steady to weak opening and upwards thereafter.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	999	990	1012	1020	1028

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy** **December** at 1005-1010 with target towards 1015, second target near 1020. Put stop loss at 995.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	26.09.06	25.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1005-1010	1000-1005	+5.00
Haryana (Karnal)	Wheat Mill quality	965-970	960-965	+5.00
Punjab (Khanna)	Wheat Mill quality	990-995	985-990	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1090-1095	1090-1095	-
Rajasthan (Kota)	Wheat Mill quality	1030-1035	1025-1030	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1020-1025	1015-1020	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1030-1035	1020-1030	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	985-990	980-985	+5.00

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