

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat remains weak in the wholesale grain market in Delhi owing to the lack of buying support. Wheat dara quoted at Rs.1000-1005/qlt with average arrival of 8000-10000 bags at the Lawrence road market in Delhi. Meanwhile, Government has allocated 1-lakh ton additional wheat for the month of September on request from States and Union Territories. Govt expects that this would check price rise and help beneficiaries to meet the increased requirement of foodgrains during the festival season. The Govt wheat stocks stands at 6.7 million tons as of 1<sup>st</sup> September, as against 11.6 million tons during the same period of last year. Domestic traders expect that the duty free imports is likely to be extended till next year as supply shortages is unlikely to be eased until the coming harvest in March 2007.

### FUTURES MARKETS:

At the futures market the wheat futures witnessed downward trade following a weak opening. Increased selling interest kept the market under pressure through out the day. The futures slide during the last ½ hrs of trade and tested day's low in final action. The October contract traded in the range of Rs.968.00-975.80 and November contract moved in the range of Rs. 989.60-996.00 during Thursday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Moderate demand at the spot markets due to festival season
2. Moderate demand from flourmills

#### Bearish:

1. Govt allocated 1-lakh ton additional wheat for September
2. Increased selling interest at the futures market
3. 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 weak opening and initial downtrend. The %K-line is about to make a bearish crossover with the %D-line, hinting likely downtrend. Prices closed below 9-day and 18-day EMA, hinting weak prices. MACD remains steady in positive territory. Open interest has declined, while the volume of trade has increased as against Wednesday. Wheat prices at the physical as well as futures market are likely to move moderately downwards initially following a weak opening with possibility of late uptrend.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	995	990	1004.8	1015	1020

### TRADE RECOMMENDATION:

Intraday traders might take position to **Sell NCDEX-December** at 1005-1010 with target towards 999, second target near 995. Put stop loss at 1016.

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

Markets	Variety	28.09.06	27.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1000-1005	1005-1010	-5.00
Haryana (Karnal)	Wheat Mill quality	965-970	965-970	-
Punjab (Khanna)	Wheat Mill quality	985-990	985-990	-
Gujarat (Ahmedabad)	Wheat Mill quality	1085-1090	1090-1095	-5.00
Rajasthan (Kota)	Wheat Mill quality	1030-1035	1025-1030	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1030-1035	1025-1030	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1015-1025	1015-1025	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	980-985	980-985	-

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