

WHEAT DAILY

20th SEPTEMBER, 2006

SPOT MARKETS:

Domestic wheat prices came out from the post-effects of stock-limit imposed in Maharashtra and the related rumours that other states will also impose stock limit on wheat. Therefore the offering prices for wheat have been noticed to climb in Delhi, U.P. and some mandis of Punjab since two to three days. At Lawrence Road Mandi in Delhi, wheat dara surged to Rs.1000-1005/qlt owing to flourmills demand coupled with reduced arrival. The poor stock in the mandis could not offset the strong demand. The arrival stood at 8000-10000 bags at the mandis. However uncertainties over stock limits kept the market relatively steady in other major mandis despite poor arrival. Heavy rains in M.P. affected on the arrival and there was no arrival in Bhopal mandis, traders said. In Bangalore, wheat offered at Rs.1180-1185/qlt. On the other hand, around 1.2 million metric tonnes of wheat has arrived. The imported wheat has contaminated by two dangerous exotic weed species, *Cenchrus tribuloides* and *Solanum carolinense*. These weed species are of "quarantine concern to India," according to a counter affidavit filed by the government in the Supreme Court to the writ petition by Vandana Shiva and others against the new import policy. Therefore, the prices for wheat are not expected to go down in near future, traders quoted.

FUTURES MARKETS:

NCDEX wheat futures tumbled down Tuesday on speculative selling and profit booking ahead of the expiry time of September contract. The futures market opened steady to weak but fell down on short covering. The steady to slight up spot market supported the futures market at early. Most active October contract opened at Rs.982 and settled down Rs.8 at Rs.975 and traded in between Rs.975-982.80.

PRICE DRIVERS:

Bullish:

1. Increase offtake by rolling flourmills; Weak arrival
2. Pause in selling by stockists

Bearish:

1. Uncertainties over stock limit
2. Regular arrival of imported wheat

WEATHER:

The arrival might not be affected in North Eastern parts due to rainfall. But it might be affect in M.P.

TECHNICALS:

Candlestick is indicating bearish market while %K line going up following made a bullish cut with %D line at neutral region. Steady MACD indicates steady market and prevailed at the positive territory. Prices closed below the 9-days and 18-days EMA, which is indicating bearish market. Open interest and volume decreased. Wheat prices are likely to trade down following steady to weak opening and might be go after that.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Oct.	973.0	967.0	975.0	980.0	985.0
Nov.	994.0	990.0	998.4	1004	1009

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy October** above 968 with target towards 982, second target near 985. Put stop loss at 960.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.09.06	20.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	997-1000	1000-1005	+5.00
Haryana (Karnal)	Wheat Mill quality	965-970	965-970	-
Punjab (Khanna)	Wheat Mill quality	990-995	990-995	-
Gujarat (Ahmedabad)	Wheat Mill quality	1100-1105	1100-1105	-
Rajasthan (Kota)	Wheat Mill quality	1040-1045	1040-1045	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1025-1030	1035-1040	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1065-1075	1065-1075	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	995-1000	985-990	-10.00

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