

WHEAT DAILY

8th SEPTEMBER, 2006

SPOT MARKETS:

Wheat prices climbed in the wholesale grains market on Thursday in Delhi, Gujarat, Rajasthan, U.P. and Haryana on stockists buying triggered by firming trend in future trading at NCDEX. The other bullish factors were increasing offtake by the flourmills due to festive demand, strong demand from South India and rising international wheat prices, which escalated the landed cost of imported wheat in India. According to the traders, the firm trend in future trading at NCDEX is influencing the cash wholesale market. Wheat dara (for mills) traded up at Rs.995-997/qrtl at the Lawrence mandis with average intake of 10000-12000 bags including rake in Delhi. The rake is being loaded for South from this state. The M.P. mandis showed steady trend on dull trading activity. The strong demand for wheat provided underlying support to the market. The wheat has traded slight up at Rs.1160-1165/qrtl in Bangalore mandis. On the other hand, STC has received eight bids from the international market at the prices range of \$223.75-\$270 per tonne on a cost and freight basis, so the landed cost of imported wheat will be much more than current spot prices. In addition to, any state did not impose stock limits, which encouraged the stocks hoarding.

FUTURES MARKETS:

NCDEX wheat futures continue to trade bullish and settled up on speculative buying and strong spot prices on Thursday. The higher international prices are supportive for the market. The futures market opened strong and slipped at early hour but buying support at lower level triggered the prices to up and set back from day's high level. Most active October contract opened at Rs.988 and settled up Rs.5 at Rs.990.20, and traded in between Rs.984.20-995.80.

PRICE DRIVERS:

Bullish:

1. Stockists buying and festive demand; Strong futures market
2. Higher landed cost of wheat and higher international prices

Bearish:

1. Wheat import at 0% duty to be permitted till year-end

WEATHER:

The arrival might be affected in Gujarat and Rajasthan sides due to forecast of rainfall and it will be not affected in other parts of the country.

TECHNICALS:

Short body Candlestick is hinting indecision market while %K line going up and prevailed above over %D line at neutral region. MACD remained steady to slight up at the positive territory, indicating steady market as medium term. Prices closed above the 9-days and 18-days EMA, which is hinting bullish market. Open interest and volume decreased. Wheat prices are likely to continue sideways movement with up following steady to strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	965.2	960.5	969.6	974.5	980.0
Oct.	984.2	979.1	990.2	997.0	1003

TRADE RECOMMENDATION:

Intra day traders might take position to **Buy October** between 988-991 with target towards 997, second target near 1003. Put stop loss at 983.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	6.09.06	7.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	990-995	995-997	+5.00
Haryana (Karnal)	Wheat Mill quality	965-970	965-970	-
Punjab (Khanna)	Wheat Mill quality	980-985	980-985	-
Gujarat (Ahmedabad)	Wheat Mill quality	1080-1083	1085-1090	+5.00
Rajasthan (Kota)	Wheat Mill quality	1040-1045	1045-1050	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1015-1020	1025-1030	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1050-1055	1050-1060	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	985-990	985-990	-

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