

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat daru prices strengthened on the wholesale grains market Monday on increased offtake from rolling flourmills against limited arrival and closed with gains. The market was strengthened due to strong buying support from the buyers but lacked sellers to offset the buying demand. Therefore wheat daru got up at Rs.997-1000/qrtl at the Lawrence road mandis in Delhi with average arrival stood at 5000-6000 bags. The rake was not loaded due to any arrival at the station. It traded also steady to slight up at Rs.1180-1185/qrtl in Bangalore mandis, traders said. However the stock limit imposed by the Maharashtra government has checked the momentum of trade in the mandi. But the rumors of Rajasthan government might be imposing stock limit, which pulled down the prices in Rajasthan, traders said. However the Gujarat government ruled out imposing of stock limit, according to the source. Therefore the pause in selling by the stockists also kept the market firm. Therefore the traders said that the wheat prices likely to rule up in the near future. According to the traders, the imposition of stock-limit is likely to remain ineffective as the country is already facing a crisis of supplies to meet the domestic demand and the decision may not affect a turnaround.

### FUTURES MARKETS:

NCDEX wheat futures traded mostly strong on speculative buying and strong spot prices. The futures market traded up through out the session following strong opening and settled at positive territory. The stockists buying pushed up the spot prices, which escalated the buying demand in futures market. Most active October contract opened at Rs.973 and settled up Rs.11 at Rs.983 and traded in between Rs.973-984.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. Rumour of stock limit in Rajasthan
2. Government intervention

### WEATHER:

The arrival might not be affected in North Eastern parts due to rainfall..

### TECHNICALS:

Candlestick is indicating bullish market while %K line going up but remained below over %D line at neutral region. MACD showed steady market and prevailed at the positive territory. Prices closed above the 9-days and 18-days EMA, which is indicating bullish market. Open interest steady but volume increased. Wheat prices are likely to remain up with sideways movement following steady to strong opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Oct.	979.0	973.0	983.0	988.0	997.0
Nov.	998	993	1001	1009	1014

### TRADE RECOMMENDATION:

Intra day traders might take position to **Buy** October above 980 with target towards 988, second target near 995. Put stop loss at 974.

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

Markets	Variety	16.09.06	19.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	992-995	997-1000	+5.00
Haryana (Karnal)	Wheat Mill quality	960-965	965-970	+5.00
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	1045-1050	1040-1045	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1025-1030	1025-1030	-
Madhya Pradesh (Indore)	Wheat Mill quality	1065-1075		+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	990-995	995-1000	+5.00

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