

## WHEAT DAILY

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

### SPOT MARKETS:

The bearish trend of wheat prices got restricted in Delhi, Gujarat, Rajasthan and M.P. on Saturday amidst reduced arrival and slight buying support from the local flourmills. Therefore wheat dara traded slight up at Rs.992-995/qlt at the Lawrence road in Delhi with average arrival of 5000-6000 bags. The demand from the rolling flourmills has increased against pause in selling by stockists. The rake is being loaded from Punjab. Wheat mill quality traded steady at Rs.1175-1180/qlt in Bangalore mandis. However the market continued to trade bearish in U.P. and Haryana due to increased arrival and lacklustre demand from the flourmills. The demand from South India and Maharashtra improved. Therefore traders did not see any further reduction on wheat prices in near future, though the prices went down for last two days due to the worries emerging from the Maharashtra State Government decision to impose stock limit. 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. But the overall outlook for wheat prices is bullish as medium and long term.

### FUTURES MARKETS:

NCDEX wheat futures settled at the negative territory following sideways movement Saturday on profit booking and selling pressure. The futures market opened weak and got up but fell down at last due to profit booking and closed at negative territory. The impact of stock limit slightly supported the futures market. Most active October contract opened at Rs.975.40 and settled down Rs.4 at Rs.972 and traded in between Rs.970-978.60.

### PRICE DRIVERS:

#### Bullish:

1. Festive demand and Weak arrival
2. Pause in selling by stockists

#### Bearish:

1. Impact of impose stock limit in Maharashtra
2. Scheduled arrival of imported wheat
3. Steady to weak demand for wheat products

### WEATHER:

The arrival might not be affected in North Eastern parts due to rainfall. But arrival is likely to hinder in M.P. as forecast of rains in this state.

### TECHNICALS:

Candlestick is indicating bearish market while %K line going down and remained below over %D line at neutral region. MACD showed steady to bearish 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 remain down with sideways movement following steady to weak opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	949.5	945.5	951.6	957.0	961.0
Oct.	966.0	960.0	972.0	977.0	981.0

### TRADE RECOMMENDATION:

Intra day traders might take position to **Buy October** between 965-970 with target towards 977, second target near 981.50. Put stop loss at 958.

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

Markets	Variety	15.09.06	16.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	990-995	992-995	+2.00
Haryana (Karnal)	Wheat Mill quality	970-975	960-965	-10.00
Punjab (Khanna)	Wheat Mill quality	995-1000	990-995	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1090-1095	1095-1100	+5.00
Rajasthan (Kota)	Wheat Mill quality	1040-1045	1045-1050	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1045-1050	1025-1030	-20.00
Madhya Pradesh (Indore)	Wheat Mill quality	1055-1065	1065-1075	+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1000-1005	990-995	-10.00

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