

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices backpedaled in most of the market Thursday amidst the lack of buying interest due to the stock limitation news. Therefore wheat rates fell down to Rs.995-1000/qlt with average intake of 10000-12000 bags at the Lawrence road without rake loading in Delhi. The market slackened demand from the flourmills. The news was that the government is imposing stock limit on wheat in Gujarat, M.P., U.P. and Delhi, which triggered the prices to down but the news is not confirmed till now. The stock limitation was imposed in Maharashtra and traders said that most of the states is likely to impose stock limit very soon to crash the wheat market as the wheat prices were skyrocketing. Therefore the demand was vanished from the market. In Bangalore, wheat mill quality is quoted down to Rs.1175-1180/qlt. On the other hand, four vessels are currently discharge at Chennai, Cochin and Vizag ports, having a total quantity of 1,55,467 MT of wheat, out of which 78,380 MT of wheat has been discharged by September 12, 2006. According to the government, there has no plan to float new wheat import tender. The wheat market is likely to get strength as the traders are speculating that the government is trying to crash the market anyway but they could not succeed.

### FUTURES MARKETS:

NCDEX wheat futures recovered and rebounded to firm position Thursday on profit booking and buying support from lower level. The market was unable to hold earlier weakness on yesterday and got up on speculative buying. The futures market traded bullish following mostly weak opening and settled up. Most active October contract opened at Rs.963 and settled up Rs.4 at Rs.971 and traded in between Rs.960.20-975.00.

### PRICE DRIVERS:

#### Bullish:

1. Festive demand; Weak arrival due to rain at some parts

#### Bearish:

1. News on imposing of stock limit in Maharashtra, Gujarat, Delhi
2. Higher arrival of imported wheat
3. Weak demand from flourmill sector

### WEATHER:

The arrival might be affected in North Eastern parts and M.P. due to forecast of rainfall in these regions.

### TECHNICALS:

Candlestick is indicating bullish market while %K line going down after made a bearish cut with its %D line at neutral region. MACD showed bullish market at the positive territory. Prices closed below the 9-days and 18-days EMA, which is indicating bearish market. Open interest and volume decreased. Sentiments are likely to remain volatile following steady to weak opening in the coming day.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Sept.	948.6	944.5	957.0	966.5	971.5
Oct.	964.0	960.0	971.0	981.3	986.5

### TRADE RECOMMENDATION:

Intra day traders might take position to **Buy October** between 967-972 with target towards 981.30, second target near 986.50. Put stop loss at 959.

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

Markets	Variety	13.09.06	14.09.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1005-1010	995-1000	-10.00
Haryana (Karnal)	Wheat Mill quality	970-975	970-975	-
Punjab (Khanna)	Wheat Mill quality	990-995	1000-1002	+10.00
Gujarat (Ahmedabad)	Wheat Mill quality	1100-1105	1090-1095	-10.00
Rajasthan (Kota)	Wheat Mill quality	1040-1043	1040-1043	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1050-1055	1050-1055	-
Madhya Pradesh (Indore)	Wheat Mill quality	1085-1090	1060-1070	-25.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1015-1020	1005-1010	-10.00

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