

WHEAT DAILY

06th OCTOBER, 2006

SPOT MARKETS:

Wheat remains on an average steady with a bearish undertone in Delhi owing to average arrival amidst moderate demand. Wheat data quoted at the lower side of Rs.1000-1005/qrtl with arrival of 4000-5000 bags at the Lawrence road market in Delhi. Prices were quoted mostly steady to firm in other markets of the country. Against tender of import of wheat for 55 lakh MT, 16.8 lakh tonne has touched Indian ports as on date. 7 vessels are currently at discharge at Chennai, Tuticorin, Vizag and Mundra ports, having a total quantity of 352673 MT of wheat, out of which 215978 MT has been discharged by October 3, 2006. 6 vessels have arrived with 297560 MT of wheat at Mundra, Chennai, Kandla and Vizag ports and are under fumigation/quality-check/berthing. 11 vessels that have sailed to Indian ports with 553004 MT of wheat are scheduled to arrive by October 20, 2006.

FUTURES MARKETS:

The wheat futures at the NCDEX witnessed range bound trade following a weak opening. The futures remained within a narrow range following huge slid on Wednesday. The near month contracts finished lower, while most-active December contract managed to hold some gains. The October contract traded in the range of Rs.962.20-966.00 and November contract moved in the range of Rs. 983.40-988.20.

PRICE DRIVERS:

Bullish:

1. Moderate demand at the spot markets due to festival season
2. Govt not to extend time limit of duty free import beyond Dec

Bearish:

1. 16.8 lakh tonne imported wheat touched Indian ports so far
2. Over 5.5 lakh tonne of imported wheat are scheduled to arrive by October 20, 2006

WEATHER:

The present weather conditions are unlikely to adversely affect the regular arrival in the markets.

TECHNICALS:

Candlesticks formation is indicating steady to weak opening and initial downtrend. The %K-line along with the %D-line moving downwards in the normal region, bearish indication. Prices closed just below 9-day and 18-day EMA, hinting weak prices. MACD moving downwards in negative territory. Open interest has increased, while the volume of trade has declined as against Wednesday. Wheat prices at the physical as well as futures market is likely to witness some downward movement following a steady to weak opening initially with possibility of late uptrend.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	990	983	1002	1006	1012

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell NCDEX-December** at 1000-1002 with target towards 995, second target near 991. Put stop loss at 1008.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	05.10.06	04.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1000-1005	1000-1005	-
Haryana (Karnal)	Wheat Mill quality	965-970	960-965	+5.00
Punjab (Khanna)	Wheat Mill quality	995-1000	995-1000	-
Gujarat (Ahmedabad)	Wheat Mill quality	1085-1090	1080-1085	+5.00
Rajasthan (Kota)	Wheat Mill quality	1035-1040	1035-1040	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1045-1050	1035-1040	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1030-1035	1030-1035	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	985-990	985-990	-

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