

## WHEAT DAILY

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

### SPOT MARKETS:

Weakness in arrival and stockists buying shoved the wheat prices at the domestic spot market Tuesday. The continued strong rallies at the futures market also bolstered the spot prices to increase. Therefore wheat dara mill prices shot up to Rs.1045-1050/qrtl with average intake of 6000-7000 bags against the normal arrival of 12000-15000 bags at the Lawrence road in Delhi. Furthermore, delayed shipments of Ukrainian wheat and strong rake demand from South Indian markets have been keeping pressure on wheat prices. However the Government said, the wheat prices continued to remain stable at the spot market but the wheat prices has increased by Rs.45-50/qrtl at most of the points within two to three days. The wheat prices also surged to Rs.1115-1120/qrtl in Bangalore mandis. The festive demand and coming winter demand for wheat products provided support to the market. The prices are expected to remain firm in the near future also. According to the USDA, the world's stockpiles of wheat are at their lowest level in more than a quarter of a century. USDA has also slashed its forecasts for global wheat production. The unloading of imported wheat was delaying owing to the traffic congestion, but the slowdown was not acute.

### FUTURES MARKETS:

NCDEX wheat futures settled slight up on sideways movement on Tuesday with volatile trading activity. Futures market opened strong but fell down on profit booking but buying support from lower level pushed up the prices after that and set back from day's high level. Most active December contract settled Rs.1.60 up at Rs. 1069 following a strong opening at Rs.1069 and hovered within the range of Rs.1060.20-1080.

### PRICE DRIVERS:

#### Bullish:

1. Delayed arrival of imported wheat
2. Festive demand and winter season demand
3. Poor global stocks

#### Bearish:

1. Government intervention

### WEATHER:

Arrival is not likely to affect due to present weather condition.

### TECHNICALS:

Candlesticks formation is hinting to indecision market with weak opening. The %K-line still remains above %D-line at the oversold region, hinting technical reversal near. Prices closed far above 9-day and 18-day EMA, indicating strong prices. MACD moving up at positive territory. Open interest as well as volume of trade has increased. Wheat market is expected to trade down following a steady to weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	1048	1040	1053.6	1066	1075
Dec.	1058	1050	1069.0	1080	1090

### TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1057 with target towards 1070, second target near 1075. Put stop loss at 1050.

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

Markets	Variety	17.10.06	16.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1045-1050	1040-1045	+5.00
Haryana (Karnal)	Wheat Mill quality	1010-1012	1005-1010	+5.00
Punjab (Khanna)	Wheat Mill quality	1010-1015	1005-1010	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1125-1130	1115-1120	+10.00
Rajasthan (Kota)	Wheat Mill quality	1050-1055	1045-1050	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1055-1060	1055-1060	-
Madhya Pradesh (Indore)	Wheat Mill quality	1105-1115	1095-1100	+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1020-1025	1010-1015	+10.00

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