

WHEAT DAILY

17th OCTOBER, 2006

SPOT MARKETS:

Wheat prices shot mostly up by Rs.20-35/qlt at most of the domestic spot market Monday amidst meagre arrival and upward demand from the flourmill sector due to festive season. Therefore wheat dara prices surged to Rs.1040-1045/qlt with poor intake of 5000-6000 bags at the Lawrence road mandis in Delhi. Furthermore, the coming winter season's demand and delayed arrival of imported wheat due to poor global supply also aggravated the situation. Rake loading from various sector from the country also kept pressure on prices, traders said. The strong rallies at the futures market also provided support to the spot market. The stockists are not interested to sell their stocks at this market rate, traders said. The shortage of wheat in the international market continued to support the prices. In Bangalore mandis, wheat prices increased to Rs.1120-1125/qlt. 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 following bad weather at some Indian ports, but the slowdown was not acute.

FUTURES MARKETS:

NCDEX wheat futures settled up with volatile trading on Monday amidst profit booking at higher level. Lack of fresh buying interest pulled down the prices from day's higher level. Futures market opened mostly strong and went to mostly high but fell down and settled at positive territory. Most active December contract increased Rs.7 at Rs. 1067 following a strong opening at Rs.11063 and hovered within the range of Rs.1063-1073.80.

PRICE DRIVERS:

Bullish:

1. Poor global wheat production
2. Festive demand induced flourmills and stockists buying
3. Delayed arrival of imported wheat

Bearish:

1. Steady products demand

WEATHER:

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

TECHNICALS:

Candlesticks formation is hinting to bearish market. The %K-line remained above %D-line at the oversold region, hinting technical reversal near. Prices closed far above 9-day and 18-day EMA, hinting bullish market. MACD moving up at positive territory. Open interest as well as volume of trade has declined. Wheat market is expected to remain up following a steady opening with possibility of late downwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	1045	1035	1055	1065	1075
Dec.	1055	1045	1067	1074	1080

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-December below 1070 with target towards 1055, second target near 1050. Put stop loss at 1080.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	16.10.06	14.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1040-1045	1020-1025	+20.00
Haryana (Karnal)	Wheat Mill quality	1005-1010	975-980	+30.00
Punjab (Khanna)	Wheat Mill quality	1005-1010	1010-1015	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1115-1120	1100-1105	+15.00
Rajasthan (Kota)	Wheat Mill quality	1045-1050	1030-1035	+15.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1055-1060	1045-1050	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1095-1100	1065-1075	+30.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1010-1015	1000-1005	+10.00

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