

WHEAT DAILY

10th OCTOBER, 2006

SPOT MARKETS:

Stable conditions witnessed on the wholesale grains market Monday with prices moving in a narrow range on small alternate bouts of buying and selling and settled around previous levels. Traders said that the moderate stocks position against moderate demand from the flourmills mainly kept prices steady at most of the pockets. Wheat dard for mills quoted steady at Rs.1002-1005/mtl at the Lawrence road mandis of Delhi with average intake of 5000-6000 bags. Wheat MP (deshi) registered at Rs.1475-1725/mtl in this state. In Bangalore market, wheat mill quality quoted at Rs.1185-1190/mtl. Traders said, one rake is being loaded from Haryana for Bangalore. The weak demand and higher arrival of imported wheat pressurized on the wheat market, traders said. Against tender of import of wheat for 55 lakh MT, 16.8 lakh tonne has touched Indian ports so far. 11 vessels that have sailed to Indian ports with 553004 MT of wheat are scheduled to arrive by October 20, 2006. Weak products demand despite festival season also kept the market steady. Traders said, the wheat prices might be falling down in near future as the prices remained steady to weak at most of the parts in spite of festival season.

FUTURES MARKETS:

At the futures market the wheat futures at the NCDEX recovered and traded up following a steady to strong opening. Fresh buying interest has pressurized the futures throughout the session. The December contract traded in the range of Rs.997.60-1005.80 and November contract moved in the range of Rs. 986-991 during Monday's trade. Most active December contract settled up Rs.6.60 at Rs.1004 following steady opening at Rs.997.60.

PRICE DRIVERS:

Bullish:

1. Govt not to extend time limit of duty free import beyond Dec
2. Decreasing stocks at the markets

Bearish:

1. Increasing arrival of imported wheat
2. Weak flourmills as well as products demand

WEATHER:

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

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	09.10.06	07.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1002-1005	1000-1002	+2.00
Haryana (Karnal)	Wheat Mill quality	970-975	965-970	+5.00
Punjab (Khanna)	Wheat Mill quality	990-995	995-1000	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1085-1090	1085-1090	-
Rajasthan (Kota)	Wheat Mill quality	1035-1040	1035-1040	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1040-1045	1040-1045	-
Madhya Pradesh (Indore)	Wheat Mill quality	1060-1065	1065-1070	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	980-985	980-985	-

TECHNICALS:

Candlesticks formation is hinting firmness of the market. The %K-line moving up following made a bullish cut with the %D-line at the oversold region, another bullish indication. Prices closed between 9-day and 18-day EMA, hinting steady prices. MACD moving downwards in negative territory. Open interest as well as volume of trade has declined. Wheat prices are likely to remain firm initially following a weak opening with possibility of late downtrend.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	987	983	992	1000	1005
Dec.	997	992	1004	1009	1015

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December between 1000-1003 with target towards 1009, second target near 1015. Put stop loss at 996.

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