

WHEAT DAILY

13th OCTOBER, 2006

SPOT MARKETS:

Wheat staged a comeback to close in positive zone in the wholesale grains market Thursday on buying by stockists and rolling flourmills coupled with short of supplies. Increased offtake by stockists and rolling flourmills helped wheat daru prices to recover. The bullish trends in future trading at NCDEX too had a positive impact. At wholesale market wheat daru (for mills) was up to Rs.1008-1010/qrtl at the Lawrence road mandi in Delhi with average intake of 8000-9000 bags. Wheat remained flat at previous level to slight down at some mandis in the absence of any worthwhile buying or selling and settled around previous closing. Traders said paucity of funds and adequate stocks position mainly kept prices unchanged. Besides, AWB Ltd. is likely to export at least 125,000 metric tons of European-origin wheat to India under a contract with STC to supply 595,000 tons. STC has contracted in the last month to buy 595,000 metric tons of wheat from AWB at the price of \$226-\$238/ton, cost and freight. The international wheat prices have continued its upward rally in this time due to the reports of mostly lower production in Australia and unexpected wheat import by the Indian government. Therefore the overall outlook is bullish for wheat.

FUTURES MARKETS:

Wheat prices at the NCDEX skyrocketed on Thursday amidst strong speculative buying and mostly strong international prices due to tight global supplies, which escalated the import prices. Profit booking at higher level pulled down the prices at late hour and set back from day's high level. Therefore most active December contract surged by Rs.19.80 to Rs.1033.60. December contract traded in the range of Rs.1017.60-1050.00.

PRICE DRIVERS:

Bullish:

1. Global wheat prices firming up on tight supplies
2. Buying by stockists and rolling flourmills

Bearish:

1. Rumour of imposing stock limit in Delhi and other parts
2. Steady flourmills as well as products demand

WEATHER:

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

TECHNICALS:

Candlesticks formation is indicating weak opening. The %K-line going up and remained above over its %D-line at the neutral region, indicates bullish market. Prices closed far above 9-day and 18-day EMA, hinting strong market. MACD moving up and reached positive territory. Open interest as well as volume of trade has increased. Wheat market is likely to trade firm following a weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	1011	1005	1025	1040	1048
Dec.	1022	1016	1033.6	1051	1060

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy NCDEX-December** above 1026 with target towards 1040, second target near 1050. Put stop loss at 1018.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	12.10.06	11.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1008-1010	1005-1007	+3.00
Haryana (Karnal)	Wheat Mill quality	970-975	970-975	-
Punjab (Khanna)	Wheat Mill quality	1000-1005	1002-1005	-2.00
Gujarat (Ahmedabad)	Wheat Mill quality	1095-1100	1090-1095	+5.00
Rajasthan (Kota)	Wheat Mill quality	1025-1030	1025-1030	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1035-1040	1040-1045	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1055-1065	1050-1060	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	985-990	980-985	+5.00

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