

WHEAT DAILY

14th OCTOBER, 2006

SPOT MARKETS:

At last, the festive demand and strong rallies at the futures market has brought about a spurt in the domestic wheat prices at most of the mandis. The shortage of wheat in the international market has also supported the prices. The arrivals in Delhi's Lawrence Road mandi is low, with only 8000-9000 bags arriving on Friday as against the average arrival of 10,000-15000 bags. Rake demand from South India also spurt the prices. Wheat dara for mills prices have jumped to Rs.1015-1020/qlt at this mandis on Friday's trading. In Bangalore, mill quality wheat traded firm at Rs.1190-1195/qlt. The strong flourmills demand as strong products demand boosted the spot prices at most of the mandis. At the futures market NCDEX, wheat prices maintained strong rallies in this week due to strong festive demand and tight global supplies, which encouraged speculative buying. Besides the government is not intended to allow private wheat imports at zero percent after December. Furthermore, one wheat import cargo has failed quality test on Friday. USDA pegged global wheat production to 585.1 MMt, which is lower by 11 MMt. Drought in Australia reduced the production. Production is also lowered in China, EU-25, and Brazil. Therefore the wheat prices are expected to maintain this strong rallies in near future.

FUTURES MARKETS:

At the futures market NCDEX wheat prices maintained strong rallies Friday also due to strong festive demand and tight global supplies, which encouraged speculative buying. Futures market traded mostly firm following weak opening and settled mostly up. Therefore most active December contract jumped by Rs.21.60 at Rs. 1055 following a weak opening at Rs.1030 and hovered within the range of Rs.1030-1061.

PRICE DRIVERS:

Bullish:

1. USDA slashed global wheat production
2. Festive demand induced flourmills and stockist buying

Bearish:

1. Increasing arrival of imported wheat
2. Steday products demand

WEATHER:

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

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	13.10.06	12.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1015-1020	1008-1010	+7.00
Haryana (Karnal)	Wheat Mill quality	975-980	970-975	+5.00
Punjab (Khanna)	Wheat Mill quality	1005-1010	1000-1005	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1095-1100	1095-1100	-
Rajasthan (Kota)	Wheat Mill quality	1030-1035	1025-1030	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1035-1040	1035-1040	-
Madhya Pradesh (Indore)	Wheat Mill quality	1055-1060	1055-1065	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	990-995	985-990	+5.00

TECHNICALS:

Candlesticks formation is hinting to strong market. The %K-line remained above %D-line at the oversold region, indicates technical reversal of the market. Prices closed far above 9-day and 18-day EMA, indicating bullish market. MACD moving up at positive territory. Open interest as well as volume of trade has decreased. Wheat market is likely to maintain firm tone following a weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	1035	1025	1044.6	1055	1065
Dec.	1047	1036	1055.0	1070	1080

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1050 with target towards 1065, second target near 1075. Put stop loss at 1040.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.