

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices restricted at the previous level at the grain market in Delhi, Haryana and Gujarat and witnessed firm at the other major markets Thursday amidst increased offtake by the flourmills and retailers against moderate arrival. The wheat prices temporarily stumbled down on Wednesday on lack of buying at higher level, traders said. Traders are speculating that the prices will be go up within a few days as increasing demand from rolling flourmills and retailers in view of festive season and winter season against restricted arrival. Maida and sooji also rose in sympathy with wheat. Wheat dara prices remained flat at Rs.1035-1040/qtl with restricted arrival of 6000-7000 bags at the Lawrence road in Delhi. The other supporting factor for prices up was tight global supplies due to lower output in Europe, Argentina and Australia, which escalated the wheat import prices. Therefore the outlooks for wheat prices are likely to bullish in near future. In keeping with its plans to develop agro business, the Corporation has contracted 55 lakh MT of wheat for import on behalf of the Government against 5 global tenders floated during the last about six months. As at end-September 2006, 15 lakh MT of wheat has already arrived the Indian ports and the same has been handed over to FCI.

### FUTURES MARKETS:

At the futures market NCDEX, wheat prices recovered Wednesday's losses and has traded bullish following strong opening due to buying support at lower level on Thursday. Therefore most active December contract hovered within the range of Rs.1055-1067. December contract settled Rs.4.60 up at Rs. 1062 following a strong opening at Rs.1060.

### PRICE DRIVERS:

#### Bullish:

1. Increasing offtake by rolling flourmills
2. Festive demand coupled with winter season demand
3. Increasing products demand

#### Bearish:

1. Lack of buyers at higher level

### WEATHER:

The current weather forecast might not be hindered on the arrival.

### TECHNICALS:

Candlesticks formation is hinting indecision market with weak opening. The %K-line moving down and made bearish croosover with %D-line at the oversold region, indicating bearish market. Prices closed far above 9-day and 18-day EMA, hinting upwardness of prices. MACD moving down at positive territory, indicating medium term bearishness. Open interest as well as volume of trade has decreased. Wheat market is likely to trade sideways following a steady to weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	1042	1035	1047	1055	1063
Dec.	1055	1048	1062	1068	1075

### TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1055 with target towards 1065, second target near 1075. Put stop loss at 1048.

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

Markets	Variety	19.10.06	18.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1035-1040	1035-1040	-
Haryana (Karnal)	Wheat Mill quality	1015-1020	1015-1020	-
Punjab (Khanna)	Wheat Mill quality	1025-1030	1015-1020	+10.00
Gujarat (Ahmedabad)	Wheat Mill quality	1120-1125	1120-1125	-
Rajasthan (Kota)	Wheat Mill quality	1065-1070	1060-1065	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1065-1070	1060-1065	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1115-1120	1110-1120	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1025-1030	1020-1025	+5.00-

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