

WHEAT DAILY

26th OCTOBER, 2006

SPOT MARKETS:

Wheat prices edged up at wholesale domestic market on Wednesday due to shrinkage of arrival against the sturdy demand from flourmills sector coupled with South India, Maharashtra and Assam. Therefore wheat darsa prices hovered up to Rs.1055-1060/qrtl with lower arrival of 4000-5000 bags at the Lawrence road mandi in Delhi. The rake is being loaded for unknown destination and the arrival is reported to be around 5000 bags at the station. The poor stocks report to the government and coming winter season demand provided underlying support to the market. At Narella and Najafgarh mandis it quoted up to Rs.990-1000/qrtl with paucity of arrival. The most of the market remained closed for Eid festive. And the trading activity witnessed very thin at most of the market. The prices are expected to trade firm in near future. The country's wheat stocks remained lower to 6.41 MMt as of October 1, which had declined from 10.29 MMt a year earlier, a 37.7% drop. The country's imported wheat arrivals at ports on the government's account are estimated as of Thursday at 2.00 MMt since April from total purchase contracts for 5.5 MMt.

FUTURES MARKETS:

At the futures market NCDEX; wheat prices hovered up on Wednesday amidst strong buying demand and most of the contract established new contract high. The poor wheat stocks to the government continued to support the futures market. Futures market traded bullish following strong opening and settled mostly high. Therefore most active December contract hovered within the range of Rs.1084-1105. December contract increased Rs.23.60 at Rs. 1104.20 following a strong opening at Rs.1088.

PRICE DRIVERS:

Bullish:

1. Lower wheat stocks to the government
2. Flourmill's demand due to coming winter season
3. Shrinkage of arrival

Bearish:

1. Steady products demand

WEATHER:

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

TECHNICALS:

Candlesticks hints strong wheat market with strong opening. The %K-line going up and remained above %D-line at overbought region, indicating bullish market with technical reversal. Prices closed far above 9-day and 18-day EMA, indicating upward market. MACD moving up at positive territory, indicating bullishness. Open interest as well as volume of trade has increased. Market is likely to trade up following strong opening but downward movement might be possible afterwards due to overbought condition.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	1080	1070	1089.8	1100	1110
Dec.	1089	1080	1104.2	1115	1125

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1095 with target towards 1108, second target near 1117. Put stop loss at 1089.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	25.10.06	23.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1055-1060	1045-1050	+10.00
Haryana (Karnal)	Wheat Mill quality	1020-1025	1015-1020	+5.00
Punjab (Khanna)	Wheat Mill quality	1060-1065	1060-1065	-
Gujarat (Ahmedabad)	Wheat Mill quality	Closed	1125-1130	-
Rajasthan (Kota)	Wheat Mill quality	1080-1085	Closed	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	Closed	Closed	-
Madhya Pradesh (Indore)	Wheat Mill quality	1125-1130	1130-1135	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	Closed	Closed	-

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.