

WHEAT DAILY

12th OCTOBER, 2006

SPOT MARKETS:

Wheat prices witnessed rangebound with steady undertone in the wholesale grains market on Wednesday, on increased offerings by stockists against steady demand from rolling flourmills as stable products demand. Traders said increased offerings by stockists mainly restricted the price movement. Wheat dara (for mills) traded at Rs.1005-1007 a quintal with totalled arrival of 10000-12000 bags at the Lawrence road in Delhi while wheat MP (deshi) also remained flat at Rs.1475-1725 a quintal. There was no arrival at the rake due to poor demand from South India. The regular arrival of imported wheat at the Indian ports are increasing the market supplies therefore the demand from South India and Maharashtra got weakened. In Bangalore, the mill quality wheat offered at Rs.1185-1190/qrt. Against tender of import of wheat for 55 lakh MT, a quantity of 17.2 lakh tonne has touched Indian ports as on October 10. Three vessels are currently at discharge at Kandla, Vizag and Mundra ports. Five vessels have arrived with 2,43,603 MT of wheat at Mundra, Chennai, Kandla and Vizag ports and are under fumigation/quality-check/berthing. The prices might be go up due to expectation of festival demand.

FUTURES MARKETS:

At the futures market in NCDEX wheat maintained its firm trend today also on buying support and poor global supply concerns. Futures market opened strong and traded firm despite profit booking at higher level, which pulled down the prices at midday but settled at the positive territory. December contract was moving within the range of Rs.1005.20-1017. December contract surged Rs.10 at Rs.1016 following strong opening at Rs.1008.40.

PRICE DRIVERS:

Bullish:

1. Higher import cost amidst tight global supplies
2. MSP of wheat likely to increase

Bearish:

1. Increasing arrival of imported wheat; Stockists selling
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 bullish market. The %K-line going up and prevailed above over its %D-line at the neutral region, indicates strong market. Prices closed far above 9-day and 18-day EMA, indicating further bullish market. MACD moving up in negative territory. Open interest as well as volume of trade has increased. Wheat market is expected to trade strong following a firm opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	1004	1000	1007.8	1013	1018
Dec.	1012	1008	1016.0	1023	1028

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December between 1012-1017 with target towards 1023, second target near 1028. Put stop loss at 1006.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	11.10.06	10.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1005-1007	1005-1007	-
Haryana (Karnal)	Wheat Mill quality	970-975	965-970	+5.00
Punjab (Khanna)	Wheat Mill quality	1002-1005	1000-1002	+2.00
Gujarat (Ahmedabad)	Wheat Mill quality	1090-1095	1090-1095	-
Rajasthan (Kota)	Wheat Mill quality	1025-1030	1025-1030	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1040-1045	1040-1045	-
Madhya Pradesh (Indore)	Wheat Mill quality	1050-1060	1055-1060	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	980-985	985-990	-5.00

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