

WHEAT DAILY

05th OCTOBER, 2006

SPOT MARKETS:

Wheat remains steady at the wholesale grain market in Delhi owing to moderate arrival amidst higher demand. Wheat data quoted firm at Rs.1000-1005/qrtl with average arrival of 4000-5000 bags at the Lawrence road market in Delhi. Prices were quoted mostly steady in other markets of the country. According to the Ministry of Consumer Affairs, Food & Public Distribution, against tender of import of wheat for 55 lakh MT, 16.8 lakh tonne has touched Indian ports as on date. 7 vessels are currently at discharge at Chennai, Tuticorin, Vizag and Mundra ports, having a total quantity of 352673 MT of wheat, out of which 215978 MT has been discharged by October 3, 2006. 6 vessels have arrived with 297560 MT of wheat at Mundra, Chennai, Kandla and Vizag ports and are under fumigation/quality-check/berthing. 11 vessels that have sailed to Indian ports with 553004 MT of wheat are scheduled to arrive by October 20, 2006.

FUTURES MARKETS:

At the futures market the wheat futures at the NCDEX witnessed bearish trading following a steady to firm opening. Increased selling interest has pressurised the futures throughout the day. The futures finished at day's low in final action. The October contract traded in the range of Rs.963.00-971.40 and November contract moved in the range of Rs. 983.00-993.40.

PRICE DRIVERS:

Bullish:

1. Moderate demand at the spot markets due to festival season
2. Moderate demand from flourmills
3. Govt not to extend time limit of duty free import beyond Dec

Bearish:

1. 16.8 lakh tonne imported wheat touched Indian ports so far
2. Over 5.5 lakh tonne of imported wheat are scheduled to arrive by October 20, 2006

WEATHER:

The present weather conditions are unlikely to adversely affect the regular arrival in the markets.

TECHNICALS:

Candlesticks formation is indicating weak opening and initial downtrend. The %K-line along with the %D-line moving downwards in the normal region, bearish indication. Prices closed just below 9-day and 18-day EMA, hinting weak prices. MACD is about to enter the negative territory. Open interest has declined, while the volume of trade has increased as against Tuesday. Wheat prices at the physical as well as futures market are likely to move downwards following a weak opening with possibility of some late upward movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	990	983	999	1006	1012

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell NCDEX-December** near 1000 with target towards 995, second target near 991. Put stop loss at 1005.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	04.10.06	03.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1000-1005	1000-1003	+2.00
Haryana (Karnal)	Wheat Mill quality	960-965	960-965	-
Punjab (Khanna)	Wheat Mill quality	995-1000	995-1000	-
Gujarat (Ahmedabad)	Wheat Mill quality	1080-1085	1080-1085	-
Rajasthan (Kota)	Wheat Mill quality	1035-1040	1035-1040	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1035-1040	1035-1040	-
Madhya Pradesh (Indore)	Wheat Mill quality	1030-1035	1020-1030	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	985-990	980-985	+5.00

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