

## WHEAT DAILY

24<sup>th</sup> NOVEMBER, 2006

### SPOT MARKETS:

Wheat prices marginally increased in wholesale grain market in Delhi Thursday amidst late buying demand from flourmills and strong futures market. Weakness in arrival kept pressure on prices. Flour millers are unable to accumulate stock in view of imposed stock limit, traders said. Wheat data prices were slight up at Rs.1125-1130/qrtl with lower arrival at 4000-5000 bags at Lawrence road mandis in Delhi. However the prices depicted a weak trend with wheat prices declined on stockists selling pressure and also triggered by a weak trend in future trading at NCDEX. Other bearish factor is sluggish demand for wheat products. Furthermore, imported wheat grasped South India and Maharashtra market; therefore they have been showing poor demand for North Indian wheat as the prices in this region are still high and transportation cost are much more. However the trend would be reverse owing to weak wheat stocks to the government, piling up of imported wheat at western ports, delay in arrival of wheat import and no further private wheat import at zero duty beyond December. Besides, traditional mustard farmers are now shifting to wheat cultivation due to speculation of better prices in the near future. Wheat acreage has been enormously increasing in mustard growing belt like U.P, Haryana, Rajasthan, and M.P.

### FUTURES MARKETS:

NCDEX wheat futures traded up on late speculative buying. Market opened strong but reacted on profit booking and rebounded thereafter due to buying support at lower level and settled at positive territory. Most active December contract settled Rs.2.40 up at Rs.1123.40 after strong opening at Rs.1122.80 and hovered within the range of Rs.1111.20-1129.00.

### PRICE DRIVERS:

#### Bullish:

1. Poor arrival and dwindling stocks

#### Bearish:

1. Lackluster demand from roller flourmills
2. Weak demand from South India & Maharashtra

### WEATHER:

Light to isolated rain in major producing areas in North West India may affect sowing activities but it would be good for the crop development.

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

Markets	Variety	23.11.06	22.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1125-1130	1120-1125	+5.00
Haryana (Karnal)	Wheat Mill quality	1090-1095	1095-1100	-5.00
Punjab (Khanna)	Wheat Mill quality	1115-1120	1125-1130	-10.00
Gujarat (Ahmedabad)	Wheat Mill quality	1185-1190	1190-1195	-5.00
Rajasthan (Kota)	Wheat Mill quality	1130-1135	1135-1140	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1130-1135	1140-1145	-10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1200-1210	1200-1210	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1120-1125	1125-1130	-5.00

### TECHNICALS:

Candlesticks charts exhibit indecision market. %K-line going up following made a bullish crossover with %D-line and remains at neutral region, indicating upward market. Prices closed between 9-day and 18-day EMA, indicating bearish market for medium term. MACD hints bearish market for medium term. Open interest decreased but volume of trade has increased significantly. Wheat futures are likely to trade rangebound with up following a steady to weak opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1118	1112	1123.4	1131	1138
Jan.	1121	1113	1128.4	1135	1142

### TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1116 with target towards 1126, second target near 1135. Put stop loss at 1110.

## 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.