

WHEAT DAILY

30th NOVEMBER, 2006

SPOT MARKETS:

Wheat prices backpedalled in the wholesale grain mandis of Delhi, Punjab, U.P. and M.P. Wednesday due to lethargic demand of wheat products, which discouraged flourmill's demand. Reduced offtake from the flourmills against slight higher intake has pulled down the prices. Furthermore, weak futures market also triggered prices to down, traders said. Wheat data prices quoted down at Rs.1135-1140/mtl at the Lawrence road mandis in Delhi. Total arrival has increased to 6000-7000 bags in this mandis. In addition to Delhi government is planning to expand existing stock limits on foodgrains under Essential Commodities Act. As mere 1400 traders applied for license for wheat and pulses, the government is considering the revision of current stock limit on foodgrains that traders can store. It also affected the grain market, traders said. On the other hand, prices remained steady in Gujarat, Rajasthan and Haryana amidst stable demand supply scenario. Apart from this, around 3.2 MMt of wheat had arrived into India from a total of 5.5 MMt already contracted. Around 3,50,000 tonnes of wheat are still piled up on the docks, which decreased the market availability. However the fall is only a temporary one as prices will pick up again as the peak consumption season during the winter months is nearing.

FUTURES MARKETS:

NCDEX wheat futures settled at negative territory on profit booking amidst selling pressure at upper level and spillover support from other commodities market. Futures markets has opened weak and tumbled at early hour on profit booking but recovered from lower level amidst buying support. Most active January contract opened weak at Rs.1125.40 and settled Rs.4.80 down at Rs.1122.20 and hovered between Rs.1114-1125.40.

PRICE DRIVERS:

Bullish:

1. Reduced arrival; Upcoming winter season demand

Bearish:

1. No demand from South India & Maharashtra
2. Poor products demand as well as miller's demand

WEATHER:

Major wheat areas of north India are experiencing dip in temperature at this time, favoring planting activities.

SPOT MARKET PRICE FOR WHEAT (s./Quintal)

Markets	Variety	29.11.06	28.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1135-1140	1140-1145	-5.00
Haryana (Karnal)	Wheat Mill quality	1100-1105	1100-1105	-
Punjab (Khanna)	Wheat Mill quality	1105-1110	1115-1120	-10.00
Gujarat (Ahmedabad)	Wheat Mill quality	1200-1205	1200-1205	-
Rajasthan (Kota)	Wheat Mill quality	1130-1135	1130-1135	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1135-1140	1140-1145	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1180-1185	1185-1190	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1120-1125	1125-1130	-5.00

TECHNICALS:

Candlesticks exhibit slight bullish market for the next trading day. %K-line moving down following made a bearish cut with %D-line at neutral region, indicating downward market. Prices closed far below 9-day and 18-day EMA, exhibiting downward market for medium term and MACD also hints bearish market for medium term. Open interest as well as volume of trade significantly decreased. Wheat futures are likely to trade slight down following weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1100	1095	1108.8	1116	1123
Jan.	1114	1109	1122.2	1130	1135

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-JANUARY above 1118 with target towards 1128, second target near 1133. Put stop loss below 1112.

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.