

## WHEAT DAILY

1<sup>st</sup> DECEMBER, 2006

### SPOT MARKETS:

Wheat prices weakened on Thursday on decreased offtake by the roller flourmills against higher arrival in Delhi, Haryana, Punjab and M.P. No demands from South India and Maharashtra also added to the weaker tone. Apart from this, weak price movement at the futures market also influenced spot market. Stockists were releasing stocks intermittently as Delhi government is planning to expand existing stock limits on foodgrains under ECA. Demand for wheat products also witnessed poor, which discouraged flourmill's demand. Wheat data for mills quoted down at Rs.1125-1130/qrtl with average intake of 7000-8000 bags at the Lawrence road in Delhi. Imported wheat grabbed South Indian and Maharashtra market. Therefore demand is decreasing and prices are going down in North West region. However prices observed steady to slight up at the other mandis due to negligible arrival. Besides, the country may produce a record wheat crop in 2007, spurred by timely sowing and additional plantings of around a million hectares. The higher prices in this year have encouraged the farmers to boost plantings. The higher production might stop wheat imports by India in the next year. But at the present, owing to shortage of wheat and winter season demand might be pushed up the prices in near future.

### FUTURES MARKETS:

Continued selling pressure coupled with profit booking has been kept the futures market on negative territory since last four days. NCDEX futures market traded mostly bearish following weak opening. Most active January contract slipped Rs.27 at Rs.1094.60 following weak opening at Rs.1120.40 and hovered between Rs.1091.40-1120.40.

### PRICE DRIVERS:

#### Bullish:

1. Coming products demand for winter season

#### Bearish:

1. No demand from South India & Maharashtra
2. Delhi govt. planning to expand existing stock limits on wheat

### WEATHER:

Major wheat areas of north India are experiencing dip in temperature at this time, favoring planting activities but it would not be affected in germination.

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

Markets	Variety	30.11.06	29.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1125-1130	1135-1140	-10.00
Haryana (Karnal)	Wheat Mill quality	1085-1090	1100-1105	-15.00
Punjab (Khanna)	Wheat Mill quality	1100-1105	1105-1110	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1200-1205	1200-1205	-
Rajasthan (Kota)	Wheat Mill quality	1135-1140	1130-1135	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1140-1145	1135-1140	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1170-1180	1180-1185	-10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1130-1140	1120-1125	+10.00

### TECHNICALS:

Candlesticks indicate bearish market for the next trading day. %K-line going down and remains below %D-line at neutral region, indicating bearish 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 steady but volume of trade significantly increased. Market is likely to remain down following weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1065	1055	1076.6	1085	1095
Jan.	1080	1075	1094.6	1102	1110

### TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-JANUARY below 1097 with target towards 1085, second target near 1080. Put stop loss above 1103.

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