

## WHEAT DAILY

2<sup>nd</sup> NOVEMBER, 2006

### SPOT MARKETS:

Domestic wheat prices witnessed mixed sentiment at most of the trading point Wednesday amidst lack of buying support at higher level of price against strong arrival. The government announced an increase in the MSP of wheat to Rs.750/qrtl provided underlying support to the market. Stockists are also releasing stocks, as the market prices are mostly high. Therefore wheat dard traded at 1105-1110/qrtl with higher availability of 10000-12000 bags at the Lawrence road mandis in Delhi. The demand from the flourmill sector has improved amidst upcoming winter season demand at some of the trading centre. On the other hand, Sowing of wheat has started in some parts of Haryana, Gujarat, Karnataka, M.P., and some parts of Punjab, Uttaranchal and Maharashtra. Furthermore, a quantity of 24 lakh tonne has reached Indian ports as on date. Six vessels are currently at discharge at Chennai, Kandla, Vizag and Mundra ports, having a total quantity of 3,08,197 MT of wheat, out of which 1,62,942 MT has been discharged by October 30, 2006. Seven vessels have arrived with 3,18,722 MT of wheat at Mundra, Chennai, Kandla and Vizag ports and are under fumigation/quality-check/berthing. Thirteen vessels that have sailed to Indian ports with 7,66,645 MT of wheat, are scheduled to arrive by November 25, 2006.

### FUTURES MARKETS:

NCDEX wheat futures market has traded bearish on profit booking and lack of fresh buying. The futures market opened weak and fell down on strong selling pressure as most of the contracts were gone near to lifetime contract high level. Most active December contract fell down by Rs.21.20 to Rs.1117 following weak opening and traded within the range of Rs.1112-1135.

### PRICE DRIVERS:

#### Bullish:

1. MSP increased to Rs.750/qrtl; Declining arrival
2. Poor government stocks; Clearance of wheat at ports delays

#### Bearish:

1. Stockists selling and higher arrival

### WEATHER:

Arrival is unexpected to hamper due to current weather forecast.

### TECHNICALS:

Candlesticks indicate downwards market with weak opening. The %K-line moved up following made a bullish cut with %D-line just at neutral region, indicating bullish market. Prices closed far above 9-day and 18-day EMA, indicating strong market. MACD indicates strong market and prevailed at positive territory, Open interest decreased but volume of trade has increased. Wheat futures are likely to trade soft following weak opening with possibility of upwards movement later.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Nov.	1090	1075	1104	1115	1125
Dec.	1105	1090	1117	1130	1140

### TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1105 with target towards 1120, second target near 1130. Put stop loss at 1095.

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

Markets	Variety	01.11.06	31.10.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1105-1110	1105-1110	-
Haryana (Karnal)	Wheat Mill quality	1090-1095	1090-1095	-
Punjab (Khanna)	Wheat Mill quality	1130-1135	1145-1150	-15.00
Gujarat (Ahmedabad)	Wheat Mill quality	1200-1205	1200-1205	-
Rajasthan (Kota)	Wheat Mill quality	1105-1110	1100-1105	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1105-1110	1110-1115	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1175-1180	1180-1190	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1105-1110	1105-1110	-

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