

WHEAT DAILY

27th NOVEMBER, 2006

SPOT MARKETS:

Wheat prices strengthened in the wholesale grain market due to mostly weak arrival despite moderate demand from the roller flourmills. Wheat products demand also got slackened, traders said. Traders said, coming winter season demand is bolstering the prices. Wheat dara for mills quoted up at Rs.1140-1145/qlt over Rs.1135-1140/qlt of previous close with sluggish arrival of 4000-5000 bags at the Lawrence road mandis in Delhi. However South Indian and Maharashtra markets have been depicting sluggish demand as the imported wheat grabbed these markets. Besides, Mumbai port discharged a record volume of 6,603 metric tonnes of wheat on a single day previous week. In the international market, IGC raised estimated world wheat production by 2 MMt to 587 MMt but remained lower by 31 MMt of last year. Better than expected yields, mainly in Russia, has increased the estimation. The consumption forecast is raised by 1 MMt to 607 MMt. IGC also reported that good sowing conditions prevails in most northern hemisphere producers, total areas are still forecast to increase by 4%, reversing last year's fall. Prices are likely to remain firm in near future due to weak wheat stocks, piling up of imported wheat at western ports and coming winter season demand.

FUTURES MARKETS:

NCDEX wheat futures continued to hold Saturday on speculative buying. Futures market traded strong following firm opening at early hour but some profit booking at higher level pushed back the prices from day's higher level. Most active January contract gained Rs.5.20 at Rs.1138.60 after up opening at Rs.1136.80 and hovered between Rs.1135-1144.80.

PRICE DRIVERS:

Bullish:

1. Mostly weak arrival; Modest demand from flourmills

Bearish:

1. No demand from South India & Maharashtra
2. Poor wheat's products demand

WEATHER:

Major wheat areas of north India are drier and warmer at this time, favoring planting activities.

TECHNICALS:

Candlesticks depict weak market with weak opening. %K-line moving up and prevails above %D-line at neutral region, indicating firm sentiment. Prices closed above 9-day and 18-day EMA, indicating bullish market for medium term while MACD hints slight bullish market for medium term. Open interest increased but volume of trade significantly decreased. Wheat futures are likely to trade weak following a steady to strong opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1127	1122	1133.0	1140	1145
Jan.	1129	1123	1138.6	1145	1150

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-JANUARY above 1130 with target towards 1140, second target near 1147. Put stop loss at 1125.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	25.11.06	24.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1140-1145	1135-1140	+5.00
Haryana (Karnal)	Wheat Mill quality	1105-1110	1095-1100	+10.00
Punjab (Khanna)	Wheat Mill quality	1120-1125	1115-1120	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1190-1195	1185-1190	+5.00
Rajasthan (Kota)	Wheat Mill quality	1130-1135	1135-1140	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1130-1135	1130-1135	-
Madhya Pradesh (Indore)	Wheat Mill quality	1195-1200	1190-1200	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1125-1130	1120-1125	+5.00

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