

## WHEAT DAILY

17th NOVEMBER, 2006

### SPOT MARKETS:

Wheat prices remained steady in the wholesale grains market in Delhi, Punjab and Gujarat Thursday on continued selling pressure from the stockists and slowdown in buying by retailers while the poor arrivals restricted the prices to get down. Traders said, fresh selling by stockists in the face of reduced demand from rolling flourmills kept the market steady. Wheat dara (for mills) remained steady at Rs.1150-1155/qlt with weak arrival of 7000-8000 bags at the Lawrence road mandis in Delhi. However the prices strengthened in the other major market on fresh demand from the flourmills and mostly feeble arrival. The poor government stocks around 5.99 MMt also added to the bullish tone. Furthermore, the public are not interested to buy PDS wheat, as most of the wheat is Australian quality, which is below quality than Indian standards, traders said. It is also creating pressure in the market. Besides, against tender of import of wheat for 55 lakh tonnes (Lt), a quantity of 26.89 Lt has reached Indian ports as on November 15, 2006. However till now, around 4 Lt of wheat are estimated to be piling up at the western ports due to port congestion. The government said this wheat is yet to be lifted and transported to warehouses. According to the food ministry official, on an average 1.03 MMt wheat is currently at sea on the way to Indian ports. The long-term outlook of wheat is bullish.

### FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight weak tone on Thursday amidst lack of fresh buying interest at upper level. Futures market has traded bearish following strong opening but remained within the thin range. Most active December contract slipped Rs.4.20 at Rs.1143.60 after strong opening at Rs.1149 and traded within the range of Rs.1138-1149.

### PRICE DRIVERS:

#### Bullish:

1. Wheat stocks declined to 5.99 MMt despite imports
2. Strong products demand due to winter season; Poor arrival

#### Bearish:

1. Stockists selling; Reduced demand at upper level

### WEATHER:

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

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

Markets	Variety	16.11.06	15.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1150-1155	1150-1155	-
Haryana (Karnal)	Wheat Mill quality	1130-1135	1125-1130	+5.00
Punjab (Khanna)	Wheat Mill quality	1130-1135	1130-1135	-
Gujarat (Ahmedabad)	Wheat Mill quality	1210-1215	1210-1215	-
Rajasthan (Kota)	Wheat Mill quality	1135-1140	1130-1135	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1145-1150	1155-1160	-10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1185-1195	1180-1185	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1145-1150	1140-1145	+5.00

### TECHNICALS:

Candlesticks hinting bearish market with steady to strong opening for the next trading day. %K-line moving down and prevailed below %D-line at neutral region, indicating bearish market. Prices closed just above than 9-day and 18-day EMA, indicating upward market for long term. MACD hints steady to bearish market for medium term. Open interest decreased but volume of trade has increased. Wheat futures are expected to trade bearish following a steady to strong opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1137	1130	1143.6	1149	1154
Jan.	1136	1132	1142.0	1145	1150

### TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-December below 1148 with target towards 1138, second target near 1132. Put stop loss at 1154.

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