

## WHEAT DAILY

20th NOVEMBER, 2006

### SPOT MARKETS:

Wheat prices maintained steady sentiment at most of the spot market on Saturday amidst stable demand supply scenario. Therefore wheat data for mills traded steady at Rs.1150-1155/qlt with weak arrival of 7000-8000 bags at the Lawrence road mandis in Delhi. The weak arrival has offset the reduced demand from the flourmills; therefore the market remained rangebound, traders said. However the market witnessed mostly bullish in M.P. and Rajasthan on increased offtake by the flourmills as well as chakki mills against reduced arrival. Traders said, poor government stocks, inferior quality of imported wheat and depleting wheat stocks at the market yards kept pressure on the prices. The demand from the South India and Maharashtra got weakened due to mostly higher prices in Northern Parts of the country. But the prices remained at still upper side in this producing region. In the international market, severe drought in Australia slashed the wheat production estimate. Therefore the export availability is restrictive. The production is anticipated to tumble down to scarcely 9.5 MMt from 25 MMt in the last crop year. The worlds largest wheat exporter Australia's AWB Limited has finished first of three export consignments to supply wheat to STC this year. The company has delivered 5 lakh Mt of wheat, which was issued by the STC in February 2006.

### FUTURES MARKETS:

NCDEX wheat futures market has traded rangebound on Saturday. The early selling pressure pulled down the prices following strong opening but recovered thereafter on late buying support at lower level. Most active December contract settled slight at Rs.1129 after strong opening at Rs.1132 and traded within the range of Rs.1125.20-1133.60.

### PRICE DRIVERS:

#### Bullish:

1. Tight supplies in Northern part of the country
2. Weak Govt stocks to 5.99 MMt

#### Bearish:

1. Stockists selling; Weak 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	18.11.06	17.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1150-1155	1150-1155	-
Haryana (Karnal)	Wheat Mill quality	1125-1130	1125-1130	-
Punjab (Khanna)	Wheat Mill quality	1125-1130	1125-1130	-
Gujarat (Ahmedabad)	Wheat Mill quality	1210-1215	1210-1215	-
Rajasthan (Kota)	Wheat Mill quality	1145-1150	1140-1145	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1145-1150	1145-1150	-
Madhya Pradesh (Indore)	Wheat Mill quality	1195-1200	1185-1195	+10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1150-1155	1150-1155	-

### TECHNICALS:

Candlesticks indicating slight bearish market with steady to weak opening for the next trading day. %K-line prevailed below %D-line at neutral region, indicating weak market. Prices closed in between 9-day and 18-day EMA, indicating downward market for medium term. MACD hints bearish market for medium term. Open interest as well as volume of trade has decreased. Wheat futures are expected to trade weak following a steady to weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1121	1115	1129	1133	1140
Jan.	1127	1120	1131	1137	1143

### TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1120 with target towards 1132, second target near 1138. Put stop loss at 1114.

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