

## WHEAT DAILY

3<sup>rd</sup> NOVEMBER, 2006

### SPOT MARKETS:

Domestic wheat prices hovered up at most of the trading point Thursday amidst strong demand from the flourmills sector against steady arrival. The government announced an increase in the MSP of wheat to Rs.750/qlt continued to provide underlying support to the market. Stockists are releasing stocks but very few and they are speculating to higher prices. Therefore wheat data traded at 1115-1120/qlt with steady arrival of 10000-12000 bags at the Lawrence road mandis in Delhi. The poor global stocks and mostly higher international prices also pressurized the domestic market, traders said. However the market remained almost steady to slight weak in Punjab due to Stockists selling. Traders said, the stocks scenario in Punjab is fabulous. Therefore the prices may go down temporarily in this state. 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 tumbled down from higher level at late hour on profit booking but remained unchanged against previous day. The market hovered up following strong opening on speculative buying but curbed down thereafter. Most active December contract remained unchanged at Rs.1119 following firm opening and traded within the range of Rs.1117-1128.

### PRICE DRIVERS:

#### Bullish:

1. Higher MSP; Higher global prices & tight stocks
2. Poor government stocks; Inferior quality of imported wheat

#### Bearish:

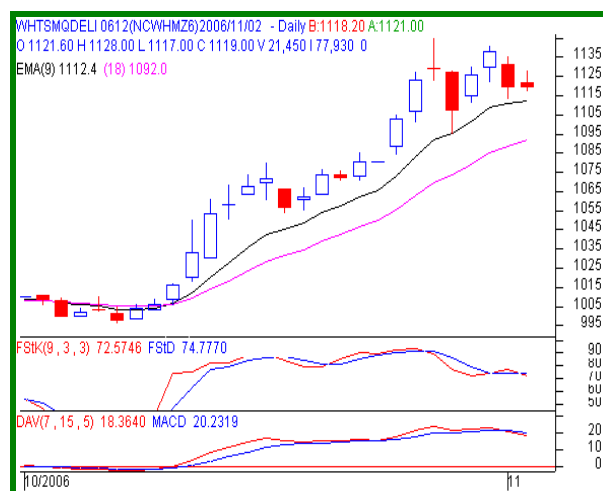
1. Stockists selling and higher arrival

### WEATHER:

Arrival is unexpected to hamper due to current weather forecast.

### TECHNICALS:

Candlesticks charts hints bearish market while %K-line moved down following made a bearish cut with %D-line just at neutral region, indicating downward market. Prices closed far above 9-day and 18-day EMA, indicating strong market. MACD indicates bearish market for medium term. Open interest steady but volume of trade has decreased. 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.	1095	1090	1106	1119	1125
Dec.	1110	1105	1119	1130	1135

### TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-December below 1122 with target towards 1112, second target near 1107. Put stop loss at 1128.

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

Markets	Variety	02.11.06	01.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1115-1120	1105-1110	+10.00
Haryana (Karnal)	Wheat Mill quality	1100-1105	1090-1095	+10.00
Punjab (Khanna)	Wheat Mill quality	1110-1115	1130-1135	-20.00
Gujarat (Ahmedabad)	Wheat Mill quality	1210-1215	1200-1205	+10.00
Rajasthan (Kota)	Wheat Mill quality	1110-1115	1105-1110	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1110-1115	1105-1110	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1175-1180	1175-1180	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1115-1120	1105-1110	+10.00

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