

## WHEAT DAILY

8th NOVEMBER, 2006

### SPOT MARKETS:

Wheat prices increased further at some of the domestic spot market in the country Tuesday amidst dwindling supplies and upward demand. Traders said, increased enquiries from rolling flourmills mainly bolstered the wheat prices. The rake is being loaded from Delhi from the godown stocks. Trade sources said, the imposing of stock limit on wheat and pulses are delayed and it is likely to be imposed after 20th November in Delhi therefore the Stockists are clearing their stocks gradually in this state. Wheat dara prices quoted higher at Rs.1120-1125/qrtl with average arrival of 6000-7000 bags at the Lawrence road mandis in Delhi. However the sentiment witnessed steady at the other markets due to slight weak demand at higher price level. However the Stockists are not interested to release their stocks at that level in Punjab side, traders said. Furthermore, wheat sowing is lagging behind in Punjab, the wheat bowl of the country. As on November 2, wheat acreage has touched only 8,000 hectares in Punjab compared with 25,000 hectares last year due to high temperature. However it is likely to gear up in near future. Wheat sowing has started in Punjab, MP, Maharashtra, Rajasthan, Gujarat and Karnataka. Wheat sowing has also commenced in parts of Haryana, HP and Uttaranchal. The land preparation has initiated in UP.

### FUTURES MARKETS:

NCDEX futures market fell down from day's higher level on profit booking and lack of fresh buying demand at higher level. The sluggish demand at upper level mainly pulled down the prices. Most active December contract slipped by Rs.8.80 to Rs.1122.60 following weak opening at Rs.1129 and traded within the range of Rs.1121.20-1137.

### PRICE DRIVERS:

#### Bullish:

1. Delay on deliveries of imported wheat;
2. Upcoming winter season demand; Increased flourmill's offtake

#### Bearish:

1. Sluggish demand at higher price level

### WEATHER:

Warmer and drier weather through major winter wheat areas at this time and sowing unlikely to hamper on current weather forecast.

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

Markets	Variety	7.11.06	6.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1120-1125	1115-1120	+5.00
Haryana (Karnal)	Wheat Mill quality	1095-1100	1090-1095	+5.00
Punjab (Khanna)	Wheat Mill quality	1095-1100	1095-1100	-
Gujarat (Ahmedabad)	Wheat Mill quality	1230-1235	1230-1235	-
Rajasthan (Kota)	Wheat Mill quality	1125-1130	1120-1125	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1110-1115	1110-1115	-
Madhya Pradesh (Indore)	Wheat Mill quality	1160-1170	1160-1170	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1130-1135	1120-1125	+10.00

### TECHNICALS:

Filled candlesticks hints bearish market for the next trading day. %K-line moving up after made a bullish cut with %D-line from at neutral region, indicating bullish market. Prices closed just above 9-day and 18-day EMA, indicating further upward market. MACD indicates bearish market for medium term. Open interest as well volume of trade has decreased. Market is likely to remain weak following a weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1114	1107	1122.6	1132	1140
Jan.	1122	1114	1132.0	1143	1153

### TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-December below 1127 with target towards 1117, second target near 1110. Put stop loss at 1132.

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