

WHEAT DAILY

15th NOVEMBER, 2006

SPOT MARKETS:

Heavy stockists selling props down the wheat prices at the domestic spot market in Delhi and Haryana on Tuesday despite significant demand from the flourmills and chakki mills. The stockists are releasing their stocks, which increasing market arrival. Therefore wheat dara for mills slipped by Rs.10/qrtl to Rs.1150-1155/qrtl with sturdy arrival of 15000-16000 bags at the Lawrence road mandi in Delhi. Traders said, the weak rake demand from South India and Maharashtra has also supported the market as imported wheat grasped the market in these states. But they are not worried and speculating that the prices will go up in near future again. However the market witnessed steady to bullish at the other markets on strong demand from the millers and stocks hoarding, which exacerbated lower arrival. Furthermore, the government is not allowing the private traders to import wheat at zero duty beyond December. In addition to, about 26 lakh tonne wheat has arrived in the country as on November 8 out of 55 lakh tonnes contracted. Besides, delayed clearance of imported wheat at the ports created pressure on the market availability. As of Nov. 9, wheat acreage in U.P. touched to 1.66-lakh hectare as compared to 0.64-lakh hectare in the year-ago period. Therefore the long-term outlook for wheat prices is bullish.

FUTURES MARKETS:

NCDEX wheat futures backpedaled Tuesday on some profit booking and lack of fresh additional buying interest at upper level as most of the contract has made all time high level on Monday. Therefore most active December contract slipped Rs.8.60 down to Rs.1142.40 following very strong opening at Rs.1154 and moved within the range of Rs.1141-1154

PRICE DRIVERS:

Bullish:

1. Govt not extended the private import after Dec. at 0% duty
2. Winter season demand

Bearish:

1. Govt may release wheat at the open market
2. Stockists selling

WEATHER:

The sowing is not likely to hamper due to current almost dry weather forecast at the producing region.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	14.11.06	13.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1150-1155	1160-1165	-10.00
Haryana (Karnal)	Wheat Mill quality	1125-1130	1135-1140	-10.00
Punjab (Khanna)	Wheat Mill quality	1120-1125	1105-1110	+15.00
Gujarat (Ahmedabad)	Wheat Mill quality	1205-1210	1200-1205	+5.00
Rajasthan (Kota)	Wheat Mill quality	1125-1130	1125-1130	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1150-1155	1150-1155	-
Madhya Pradesh (Indore)	Wheat Mill quality	1180-1190	1175-1185	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1150-1155	1150-1155	-

TECHNICALS:

Candlesticks indicating bearish market with steady to weak opening for the next trading day. %K-line moving down but prevailed above %D-line at overbought region, indicating downward market. Prices closed far above than 9-day and 18-day EMA, indicating upward market. MACD indicates steady to up market for medium term. Open interest steady but volume of trade has decreased. Wheat futures are likely to trade down following a steady to weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1134	1125	1142.4	1148	1158
Jan.	1128	1120	1139.0	1142	1150

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-December below 1145 with target towards 1135, second target near 1127. Put stop loss at 1151.

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