

WHEAT DAILY

25th NOVEMBER, 2006

SPOT MARKETS:

In the wholesale grains market, wheat prices depicted a bullish trend on Friday in Delhi, Haryana and Rajasthan owing to stockists buying triggered by reduced arrivals and bullish cues from NCDEX futures market. Increased offtake by flourmills and chakkis pushed up wheat prices. Wheat dara for mills traded up at Rs.1135-1140/qrtl against previous close of Rs.1125-1130/qrtl at the Lawrence road mandis in Delhi. Mandis received poor arrival of 3000-4000 bags. However poor products demand triggered prices down in Indore despite sluggish arrival. Prices witnessed steady tone in the other major markets of the country. Demand from South Indian and Maharashtra markets continued to remain weak as the imported wheat grabbed these markets. Therefore they have been showing poor demand for North Indian wheat as the prices in this region are still high and transportation cost are much more. Furthermore, stockists are releasing stocks intermittently, which has kept pressure on prices. But the trend is expected to remain firm due to weak wheat stocks to the government around 5.99 MMt, piling up of imported wheat at western ports and no further private wheat import at zero duty beyond December. In addition to, strong winter season demand in the coming months will be added to the positive tone, traders claimed.

FUTURES MARKETS:

NCDEX wheat futures traded up following strong opening due to speculative buying on Friday. Profit booking at upper level pushed back the prices from day's higher level. The trading activity was thin. Most active January contract settled Rs.5.80 up at Rs.1134 after strong opening at Rs.1130.80 and hovered within the range of Rs.1129.20-1137.

PRICE DRIVERS:

Bullish:

1. Stockists buying against reduced arrival

Bearish:

1. No demand from South India & Maharashtra
2. Poor wheat's products demand

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	24.11.06	23.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1135-1140	1125-1130	+10.00
Haryana (Karnal)	Wheat Mill quality	1095-1100	1090-1095	+5.00
Punjab (Khanna)	Wheat Mill quality	1115-1120	1115-1120	-
Gujarat (Ahmedabad)	Wheat Mill quality	1185-1190	1185-1190	-
Rajasthan (Kota)	Wheat Mill quality	1135-1140	1130-1135	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1130-1135	1130-1135	-
Madhya Pradesh (Indore)	Wheat Mill quality	1190-1200	1200-1210	-10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1120-1125	1120-1125	-

TECHNICALS:

Candlesticks charts indicate slight upward market with strong opening. %K-line moving up and remains above %D-line at neutral region, indicating bullish market. Prices closed just above 9-day and 18-day EMA, indicating slight bullish market for medium term while MACD hints bearish market for medium term. Open interest steady but volume of trade significantly decreased. Wheat futures are likely to trade rangebound with up following a steady to strong opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1123	1118	1128	1135	1141
Jan.	1130	1124	1134	1141	1147

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-JANUARY above 1132 with target towards 1140, second target near 1145. Put stop loss at 1128.

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