

## WHEAT DAILY

16th NOVEMBER, 2006

### SPOT MARKETS:

Wheat prices witnessed steady sentiment in the domestic mandis in Delhi, Haryana and M.P. on Wednesday. The main reason behind it was lower arrival as compared to previous day. The stockists are releasing their stocks intermittently. The stockists are worrying as the quality of wheat may get deteriorate therefore they are slowly releasing their stocks, traders said. The demands from the flourmills sector are promising. Therefore wheat dara prices restricted at Rs.1050-1055/mtl with short of arrival of 8000-9000 bags at the Lawrence road mandis in Delhi. The wheat products demand due to coming winter season is gradually increasing. Poor arrival and stocks hoarding propped up the wheat prices at the other markets. Furthermore, the government's wheat stocks as of Nov. 1 have plummeted down to 5.99 MMt as compared to 9.05 MMt of last year, which is a 33.8% drop. Besides, around 2.8 MMt of imported wheat has arrived so far. There is a rumour that India may not be able to receive the shipments for the entire quantity of 5.5 MMt that has been contracted for import. In addition to, the government is not allowing the private traders to import wheat at zero duty beyond December. These factors are also pressurizing the market.

### FUTURES MARKETS:

NCDEX wheat futures traded range bound with slight up Wednesday on thin trading activity and lack of additional buying interest at higher level. Futures market has traded slight up following strong opening but prevailed within the thin range. Most active December contract settled up Rs.4.40 at Rs.1149 following strong opening and traded within the range of Rs.1143-1150.

### PRICE DRIVERS:

#### Bullish:

1. Govt not extended the private import after Dec. at 0% duty
2. Wheat stocks declined to 5.99 MMt despite imports
3. Strong products demand due to winter season

#### Bearish:

1. Stockists selling

### WEATHER:

The sowing is unlikely to hinder due to current weather forecast at the producing region. 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	15.11.06	14.11.06	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	1130-1135	1120-1125	+10.00
Gujarat (Ahmedabad)	Wheat Mill quality	1210-1215	1205-1210	+5.00
Rajasthan (Kota)	Wheat Mill quality	1130-1135	1125-1130	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1155-1160	1150-1155	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1180-1185	1180-1190	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1140-1145	1150-1155	-10.00

### TECHNICALS:

Candlesticks indicating indecision market with steady to strong opening for the next trading day. %K-line moving down following made a bearish cut with its %D-line at near overbought region, indicating bearish market. Prices closed above than 9-day and 18-day EMA, indicating upward market. MACD hints steady market for medium term. Open interest steady but volume of trade has decreased. Wheat futures are expected to remain rangebound with slight up following a steady to strong opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1141	1136	1149	1154	1160
Jan.	1142	1135	1147	1153	1161

### TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1140 with target towards 1150, second target near 1159. Put stop loss at 1135.

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