

WHEAT DAILY

18th NOVEMBER, 2006

SPOT MARKETS:

Wheat has traded rangebound at the spot market across the country on Friday amidst stable demand supply scenario despite weaker price at the futures market. The stockists selling against the poor arrival kept the market steady while the demand from the flourmills got stable. Wheat data prices restricted at Rs.1150-1155/qlt with sluggish arrival of 7000-8000 bags at the Lawrence road mandis in Delhi. Traders are expecting that the prices may go up in near future as the stocks at the market yards are depleting. It is witnessing that the wheat has been increased by 33%-40% on year against the last year. The absence of government stocks in the Northern part of the country created tight supplies in this sector. Besides this, large volumes of Black sea origin imported wheat have been imported to which most of the consumers are not familiar to, traders claimed. The government mostly uses its stocks of wheat for subsidized sales to end-consumers. However till now, around 4 Lt of wheat are estimated to be piling up at the western ports due to port congestion. Australia's AWB Ltd. has completed deliveries under the first of three contracts to supply wheat to STC this year. AWB has delivered 500,000 Mt under the first contract. Therefore the long-term outlook of wheat is bullish.

FUTURES MARKETS:

NCDEX wheat futures sharply fell down following steady opening on Friday amidst increased selling pressure and lack of buying support at upper level of prices. Therefore most active December contract slipped by Rs.11.80 to Rs.1129.20 after steady opening at Rs.1141 and moved in between Rs.1121-1143.40.

PRICE DRIVERS:

Bullish:

1. Tight supplies in Northern part of the country
2. Poor Govt stocks to 5.99 MMt; Inferior quality of imported wheat

Bearish:

1. Stockists selling; Reduced demand at upper level

WEATHER:

Major wheat areas of north India are drier and warmer at this time, favoring planting activities.

TECHNICALS:

Candlesticks hinting downward market with steady to weak opening for the next trading day. %K-line moving down and prevailed below %D-line at neutral region, indicating bearish market. Prices closed in between 9-day and 18-day EMA, indicating downward market for medium term. MACD hints bearish market for medium term. Open interest decreased but volume of trade has increased. Wheat futures are likely to remain down following a steady to weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1118	1110	1129.2	1137	1143
Jan.	1123	1116	1132.0	1135	1141

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell NCDEX-December** below 1133 with target towards 1122, second target near 1116. Put stop loss at 1139.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	17.11.06	16.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1150-1155	1150-1155	-
Haryana (Karnal)	Wheat Mill quality	1125-1130	1130-1135	-5.00
Punjab (Khanna)	Wheat Mill quality	1125-1130	1130-1135	-5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1210-1215	1210-1215	-
Rajasthan (Kota)	Wheat Mill quality	1140-1145	1135-1140	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1145-1150	1145-1150	-
Madhya Pradesh (Indore)	Wheat Mill quality	1185-1195	1185-1195	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1150-1155	1145-1150	+5.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.