

WHEAT DAILY

11th NOVEMBER, 2006

SPOT MARKETS:

Wheat prices strengthened Friday on increased offtake by the flourmills against steady arrival in Delhi, Haryana and Punjab. The robust rake demands from Maharashtra and South India has pressurized the markets, traders said. Apart from this strong price movement at the NCDEX futures market also influenced the spot market. Stockists were releasing their stocks intermittently. But stockists are not interested to sell wheat at lower price. The strong demand for the wheat products due to upcoming winter season is also keeping pressure on wheat mill prices. Wheat dara for mills is offered up at Rs.1130-1135/qrtl with average intake of 9000-10000 bags at the Lawrence road in Delhi. However the prices observed steady to slight down at the other mandis due to less demand from the buyers at higher level. On the other hand, the country may produce a record wheat crop in 2007 as the country got heavy rainfall in the monsoon season. The higher prices in this year have encouraged the farmers to boost plantings. The higher production might stop wheat imports by India in the next year. But at the present, owing to shortage of wheat and delayed clearance of imported wheat from the ports might be push up the prices in near future.

FUTURES MARKETS:

NCDEX futures market traded range bound with slight up on Friday amidst limited trading activity and lack of fresh buying demand. Futures market traded volatile following strong opening and settled marginally up. Most active December contract increased Rs.1 at Rs.1124.80 following firm opening at Rs.1125 and hovered within the range of Rs.1119-1130.80.

PRICE DRIVERS:

Bullish:

1. Winter season demand; Increased flourmill's offtake
2. Import wheat piled up at the western ports

Bearish:

1. Sluggish demand at higher price level at some centre

WEATHER:

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

TECHNICALS:

Candlesticks indicating indecision market with weak opening for the next trading day. %K-line moving down following made a bearish cut with %D-line at neutral region, indicating downward market. Prices closed just above 9-day and 18-day EMA, indicating steady to up market. MACD indicates bearish market for medium term. Open interest steady but volume of trade has slight increased. Wheat futures are likely to trade range bound with up following a weak opening.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1117	1111	1124.8	1131	1137
Jan.	1121	1114	1127.0	1133	1140

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-December below 1128 with target towards 1118, second target near 1112. Put stop loss at 1134.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	10.11.06	9.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1130-1135	1120-1125	+10.00
Haryana (Karnal)	Wheat Mill quality	1110-1115	1095-1100	+15.00
Punjab (Khanna)	Wheat Mill quality	1105-1110	1100-1105	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1215-1220	1225-1230	-10.00
Rajasthan (Kota)	Wheat Mill quality	1125-1130	1125-1130	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1125-1130	1125-1130	-
Madhya Pradesh (Indore)	Wheat Mill quality	1165-1175	1165-1175	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1125-1130	1140-1145	-10.00

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