

WHEAT DAILY

10th NOVEMBER, 2006

SPOT MARKETS:

Steady sentiment is observed in the wheat spot market on Thursday in Delhi and Punjab mandis on lackluster demand from the buyers at upper level of price against slight higher arrival. Stockists were releasing their stocks intermittently. But stockists are not interested to sell wheat at lower price levels. However the market hovered up at the other major mandis of the country due to robust demand and sluggish arrival. 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 registered steady at Rs.1120-1125/qrtl with average intake of 10000-12000 bags at the Lawrence road in Delhi. On the other hand, Mr. Sharad Pawar said that the country might produce a record wheat crop in 2007 as the country got heavy rainfall in the monsoon season. Apart from this, higher prices have encouraged the farmers to boost plantings. He also concluded that the higher production might stop wheat imports by India in the next year. The acreage has increased to 9.49 lakh ha as of Nov.3, a five-fold increase from a year ago. Minister also said, the duty free wheat import by the private traders won't be extended after December 31. Traders are expecting that the prices to climb up in near future.

FUTURES MARKETS:

NCDEX futures market fell down following strong opening and seller's activity. The lack of fresh buying interest at higher level pulled down the prices. The profit booking at higher level also provided support prices to get down. Most active December contract slipped Rs.4 at Rs.1125 following strong opening at Rs.1133 and traded within the range of Rs.1121-1135.

PRICE DRIVERS:

Bullish:

1. Upcoming winter season demand; Increased flourmill's offtake
2. Poor stocks to the government

Bearish:

1. Sluggish demand at higher price level

WEATHER:

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

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	9.11.06	8.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1120-1125	1120-1125	-
Haryana (Karnal)	Wheat Mill quality	1095-1100	1090-1095	+5.00
Punjab (Khanna)	Wheat Mill quality	1100-1105	1100-1105	-
Gujarat (Ahmedabad)	Wheat Mill quality	1225-1230	1230-1235	-5.00
Rajasthan (Kota)	Wheat Mill quality	1125-1130	1120-1125	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1125-1130	1115-1120	+10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1165-1175	1165-1175	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1140-1145	1130-1135	+10.00

TECHNICALS:

Candlesticks indicating a bearish market for the next trading day. %K-line moving down following made a bearish cut with %D-line at neutral region, indicating bearish market. Prices closed just above 9-day and 18-day EMA, indicating upward market. MACD indicates bearish market for medium term. Open interest as well volume of trade has decreased. Wheat futures are likely to trade down following a strong opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1117	1110	1125	1130	1137
Jan.	1123	1117	1131	1140	1150

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1117 with target towards 1129, second target near 1135. Put stop loss at 1110.

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.