

## WHEAT DAILY

23<sup>rd</sup> NOVEMBER, 2006

### SPOT MARKETS:

Wheat prices restricted at lower level in wholesale grain market in Delhi Wednesday but prices plummeted down at all other major mandis amidst weak flourmill's demand despite sluggish arrival. Flour millers are not interested to create stock in Delhi. Market is speculating that other states may impose stock limit on wheat as of Delhi government, traders said. Wheat daru prices offered steady at Rs.1120-1125/qlt with short of arrival at 4000-5000 bags at Lawrence road mandis in Delhi. At most of the market prices has declined by Rs.5-15/qlt on the day. Bearish trend of futures market also affected spot market. At the end of the month, consumer shows weak demand for products, which also pressurizing prices due to weak wheat products demand. Furthermore, imported wheat grabbed South India and Maharashtra market therefore they are showing lethargic demand for North Indian wheat as the prices in this region are still high and transportation cost are much more. However the trend would be reverse owing to weak wheat stocks to the government, piling up of imported wheat at western ports, delay in arrival of wheat import and no further private wheat import at zero duty beyond December. Besides this, wheat sowing has been increased by 45% in 2006-07 crop year.

### FUTURES MARKETS:

NCDEX wheat futures bounced back to mostly up Wednesday on strong technical buying due to technical correction as the market went to over sold condition. Most active December contract gained Rs.13.60 to Rs.1121 following mostly weak opening at Rs.1104.40 and hovered within the range of Rs.1104-1121.80

### PRICE DRIVERS:

#### Bullish:

1. Sluggish arrival and dwindling stocks

#### Bearish:

1. Poor demand from wheat products as well as roller flourmills
2. Weak demand from South India & Maharashtra

### WEATHER:

Light to isolated rain in major producing areas in North West India may affect sowing activities but it would be good for the crop development.

### TECHNICALS:

Candlesticks charts exhibit strongly bullish market with strong opening for the next trading day. %K-line made bullish crossover with %D-line at oversold region, indicating bullish market. Prices closed just below 9-day and 18-day EMA, indicating bearish market for medium term. MACD hints bearish market for medium term. Open interest as well as volume of trade has decreased significantly. Wheat futures are likely to trade up following a steady to strong opening.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1117	1110	1121.0	1130	1135
Jan.	1118	1111	1121.6	1132	1137

### TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1118 with target towards 1128, second target near 1135. Put stop loss at 1112.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	22.11.06	21.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1120-1125	1120-1125	-
Haryana (Karnal)	Wheat Mill quality	1095-1100	1105-1110	-10.00
Punjab (Khanna)	Wheat Mill quality	1125-1130	1125-1130	-
Gujarat (Ahmedabad)	Wheat Mill quality	1190-1195	1200-1205	-10.00
Rajasthan (Kota)	Wheat Mill quality	1135-1140	1140-1145	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1140-1145	1145-1150	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1200-1210	1210-1215	-10.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1125-1130	1140-1150	-15.00

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