

WHEAT DAILY

14th NOVEMBER, 2006

SPOT MARKETS:

Wheat prices climbed up mostly at the domestic spot market in Delhi, U.P., Haryana, Punjab and M.P. mandis Monday in tandem with the strong futures market. The main bullish factor was increased offtake from roller flourmills despite higher arrival. The weak rake demand from South India and Maharashtra failed to support the market. Traders said, upcoming winter season demand and delayed clearance of imported wheat at the western ports created pressure in the domestic market. The strong price movement at the NCDEX futures market mainly bolstered the prices at the spot market. Wheat dara for mills soared to Rs.1165-1170/qlt at the Lawrence road mandis in Delhi with higher arrival of 14000-16000 bags. The stockists are interested to sell at this price level. Therefore wheat prices may get steady in the coming future, they noted. On the other hand, wheat sowing in the rabi season has touched to 26.269 lakh hectares as of Nov. 9, up by around 10 lakh hectares from a year earlier period. The area has recovered in Punjab and increased to 4.23 lakh hectares as compared to 3.95 lakh hectares from a year earlier period. In most of the producing region, the acreage has been increased. The strong demand for wheat products also provided underlying support.

FUTURES MARKETS:

NCDEX wheat futures hovered up following strong opening during Monday's trading due to strong speculative buying. December contract has breached their strong resistance level of Rs.1139 Monday and has gone mostly up. Most active December contract rose Rs.16.20 to Rs.1150 following strong opening at Rs.1139 and made a new contract high at Rs.1158 and hovered within the range of Rs.1139-1158.

PRICE DRIVERS:

Bullish:

1. Delayed clearance of imported wheat from the ports
2. Increased offtake by the flourmills; Products demand strong

Bearish:

1. Govt may release wheat at the open market

WEATHER:

The sowing is not likely to hamper due to current almost dry weather forecast at the producing region.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	13.11.06	11.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1160-1165	1145-1150	+15.00
Haryana (Karnal)	Wheat Mill quality	1135-1140	1100-1105	+35.00
Punjab (Khanna)	Wheat Mill quality	1105-1110	1100-1105	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1200-1205	1210-1215	-10.00
Rajasthan (Kota)	Wheat Mill quality	1125-1130	1125-1130	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1150-1155	1130-1135	+20.00
Madhya Pradesh (Indore)	Wheat Mill quality	1175-1185	1170-1180	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1150-1155	1130-1135	+20.00

TECHNICALS:

Long Candlesticks hinting bullish market with steady to weak opening for the next trading day. %K-line moving up following made a bullish cut with %D-line at neutral region, indicating further upward market. Prices closed far above than 9-day and 18-day EMA, indicating bullish market. MACD indicates steady market for medium term. Open interest and volume of trade has increased. Wheat prices are likely to remain up following a steady to weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1139	1130	1150	1159	1168
Jan.	1143	1137	1149	1160	1165

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-December above 1140 with target towards 1155, second target near 1165. Put stop loss at 1132.

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.