

WHEAT DAILY

29th NOVEMBER, 2006

SPOT MARKETS:

Wheat prices at the domestic spot market observed range bound sentiment on Tuesday amidst moderate stockists buying against restricted arrivals. Wheat darsa for mills offered steady at Rs.1140-1145/mt with lethargic arrival of 3000-5000 bags at Lawrence road mandis in Delhi. Mostly poor arrival from Haryana and U.P. at the market yards has been keeping pressure on prices in this state. Traders said, stable demand supply scenario kept the market almost steady. Lack of demand from South India and Maharashtra also added to steady with bearish tone. Imported wheat captured these states and prices are ruling at around Rs.1300-1350/mt. Due to higher transportation cost and lethargic domestic demand discouraged South Indian flour millers to buy wheat from Northern region, where prices are ruling significantly high as compared to last year. Therefore prices remained steady in Northern region. Apart from this, around 3.2 MMt of wheat had arrived into India from a total of 5.5 MMt already contracted. About 50,000 tonnes of piled up wheat had been cleared in the past month from the two western ports of Mundra and Kandla, and around 350,000 tonnes of wheat are still piled up on the docks, which decreased the market availability. FCI has not been selling wheat to the flour millers last several months owing to poor stocks.

FUTURES MARKETS:

NCDEX wheat futures sharply fell down on Tuesday amidst profit taking triggered selling pressure. Lack of demand at the physical market, where prices remained almost steady to bearish also provided underlying support. Most active January contract slipped Rs.12.60 at Rs.1127 following weak opening at Rs.1138 and moved between Rs.1121.60-1138.

PRICE DRIVERS:

Bullish:

1. Sluggish arrival; Forthcoming winter season demand

Bearish:

1. No demand from South India & Maharashtra
2. Poor products demand as well as miller's demand

WEATHER:

Major wheat areas of north India are experiencing dip in temperature at this time, favoring planting activities.

TECHNICALS:

Candlesticks indicate bearish market for the next trading day. %K-line moving down to cut %D-line at neutral region, indicating bearish market. Prices closed just below 9-day and 18-day EMA, exhibiting downward market for medium term and MACD also hints bearish market for medium term. Open interest decreased but volume of trade significantly increased. Wheat futures are likely to trade down after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1107	1100	1115.8	1122	1129
Jan.	1121	1115	1127.0	1131	1137

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-JANUARY below 1130 with target towards 1122, second target near 1117. Put stop loss above 1134.

SPOT MARKET PRICE FOR WHEAT (s./Quintal)

Markets	Variety	28.11.06	27.11.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1140-1145	1140-1145	-
Haryana (Karnal)	Wheat Mill quality	1100-1105	1100-1105	-
Punjab (Khanna)	Wheat Mill quality	1115-1120	1115-1120	-
Gujarat (Ahmedabad)	Wheat Mill quality	1200-1205	1195-1200	+5.00
Rajasthan (Kota)	Wheat Mill quality	1130-1135	1135-1140	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1140-1145	1140-1145	-
Madhya Pradesh (Indore)	Wheat Mill quality	1185-1190	1190-1195	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1125-1130	1120-1125	+5.00

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