

WHEAT DAILY

13th NOVEMBER, 2006

SPOT MARKETS:

Wheat prices at the spot market hovered up on Saturday in Delhi, U.P. and M.P. amidst increased offtake by the flourmills as upcoming winter season demand against slight weak arrival. The piled up of imported wheat at the Western ports due to congestion, is decreasing the supplies of wheat at the domestic market, traders said. Apart from this, the growing demand of wheat products is also encouraging the flourmills to create stocks. Wheat dara prices gained Rs.15-20/ql to Rs.1145-1150/ql with average intake of 7000-8000 bags at the Lawrence road mandis in Delhi. However the sluggish demand from Maharashtra pulled down the wheat prices in Gujarat, Haryana and some parts of Punjab. Stockists were releasing their stocks at these regions. Trade sources said, the government is likely to sell 1-lakh tonnes of wheat at the open market therefore the demand from Maharashtra and South got weakened. On the other hand, around 26 lakh tonnes of imported wheat has already arrived in the country out of 55 lakh tones contracted. The government is expecting that the domestic supplies of wheat are adequate and prices are expected to come down in near future. But at 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 wheat futures recovered and settled up Saturday on strong buying support from lower level. The futures market traded bullish following strong opening but set back from day's higher level on profit booking. Most active December contract gained Rs.5.60 at Rs.1133 following firm opening at Rs.1130 and hovered within the range of Rs.1127.40-1138.80.

PRICE DRIVERS:

Bullish:

1. Import wheat piled up at the western ports

Bearish:

1. Sluggish demand at higher price level at some centre
2. Govt may sell wheat at the open market

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 | 11.11.06 | 10.11.06 | Change |
|--------------------------|--------------------|-----------|-----------|--------|
| Delhi (Lawrence Road) | Wheat Mill quality | 1145-1150 | 1130-1135 | +15.00 |
| Haryana (Karnal) | Wheat Mill quality | 1100-1105 | 1110-1115 | -10.00 |
| Punjab (Khanna) | Wheat Mill quality | 1100-1105 | 1105-1110 | -5.00 |
| Gujarat (Ahmedabad) | Wheat Mill quality | 1210-1215 | 1215-1220 | -5.00 |
| Rajasthan (Kota) | Wheat Mill quality | 1125-1130 | 1125-1130 | - |
| Uttar Pradesh (Kanpur) | Wheat Mill quality | 1130-1135 | 1125-1130 | +5.00 |
| Madhya Pradesh (Indore) | Wheat Mill quality | 1170-1180 | 1165-1175 | +5.00 |
| Uttar Pradesh (Bareilly) | Wheat Mill quality | 1130-1135 | 1125-1130 | +5.00 |

TECHNICALS:

Candlesticks indicating bullish market with strong opening for the next trading day. %K-line moving up following made a bullish cut with %D-line at neutral region, indicating upward market. Prices closed above 9-day and 18-day EMA, indicating bullish market. MACD indicates bearish market for medium term. Open interest decreased but volume of trade has increased. Wheat prices are expected to trade range bound with up following a strong opening.



SUPPORT / RESISTANCES:

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|------|------|--------|------|------|
| Dec. | 1128 | 1120 | 1133.0 | 1138 | 1145 |
| Jan. | 1131 | 1124 | 1137.8 | 1145 | 1152 |

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-December below 1138 with target towards 1128, second target near 1122. Put stop loss at 1145.

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