

## WHEAT DAILY

5<sup>th</sup> DECEMBER, 2006

### SPOT MARKETS:

Wheat prices improved in the wholesale grain market in Delhi, M.P. and Haryana on Monday amidst moderate stockists buying coupled with mostly poor arrival. Wheat data for mills quoted up at Rs.1130-1135/qrtl with meager arrivals of 4000-5000 bags at the Lawrence road mandis in Delhi. Wheat is coming from Haryana and U.P. in Delhi. Demand from the roller flourmills has improved, traders said. However the market significantly tumbled down in Rajasthan and U.P. due to lackluster demand from the flourmills and stockists selling. No demand from South India and Maharashtra also added to bearish tone as imported wheat grabbed the markets in these regions. Furthermore, bearish sentiment at the futures market is keeping pressure on prices. Demand for wheat products also got slackened, traders said. Besides this, wheat production is likely to improve if climate favours the crop development as the sowing of wheat has increased by 3.1 million hectares to 17.47 million hectares over 14.37 million hectares last year same period. Traders said, rainfall has occurred in Punjab and Rajasthan today, which is congenial for the crop. Besides this, 26.24 lakh tonne (Lt) of imported wheat were discharged from the ports. Wheat prices are expected to increase in near future as poor stocks to the Govt, below quality of imported wheat and coming winter season demand.

### FUTURES MARKETS:

NCDEX wheat futures opened firm Monday but the market fell down thereafter due to strong speculative selling and profit booking. Weak spot prices also added to the bearish tone. Most active January contract lost Rs.24 at Rs.1079 following firm opening at Rs.1105 and hovered between Rs.1078-1105.

### PRICE DRIVERS:

#### Bullish:

1. Poor stocks to the Govt as well as market yards

#### Bearish:

1. Imported wheat grabbed South India & Maharashtra market
2. Poor products demand as well as flourmills demand

### WEATHER:

Major wheat areas of north India are experiencing dip in temperature with moderate shower in Punjab and Rajasthan at this time, favoring developing wheat.

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

Markets	Variety	4.12.06	2.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1130-1135	1120-1125	+10.00
Haryana (Karnal)	Wheat Mill quality	1090-1100	1070-1075	+20.00
Punjab (Khanna)	Wheat Mill quality	1100-1105	1100-1105	-
Gujarat (Ahmedabad)	Wheat Mill quality	1195-1200	1195-1200	-
Rajasthan (Kota)	Wheat Mill quality	1125-1130	1135-1140	-10.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1120-1125	1130-1135	-10.00
Madhya Pradesh (Indore)	Wheat Mill quality	1160-1165	1155-1165	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1120-1125	1125-1130	-5.00

### TECHNICALS:

Candlesticks exhibits bearish market for the next trading day. %K-line going down following made a bearish cut with %D-line at neutral region, indicating bearish market. Prices closed far below 9-day and 18-day EMA, exhibiting bearish market for medium term and MACD also hints downward market for medium term. Open interest as well as volume of trade significantly increased. Market is likely to trade down following weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1049	1038	1054.4	1065	1075
Jan.	1070	1063	1079.0	1090	1100

### TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-JANUARY below 1079 with target towards 1071, second target near 1065. Put stop loss above 1085.

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