

WHEAT DAILY

4th DECEMBER, 2006

SPOT MARKETS:

Wheat prices surged Saturday in Delhi, Rajasthan and some pockets of Punjab due to strong futures market of yesterday coupled with lower arrival and lack of sellers at lower level of prices. Therefore wheat dara for mills surged to Rs.1120-1125/qlt with reduced arrival of 3000-4000 bags at the Lawrence road mandis in Delhi. Traders said, NCDEX wheat futures market was remained mostly strong at late hour on Friday, which supported spot market. However the prices witnessed steady at lower level in other major spot market on reduced offtake from the flourmills against mostly weak arrival. Traders said, demand for wheat products also got slackened; therefore flourmillers are not interested to create stocks at now. Furthermore traders said, government is likely to sell wheat at the open market in Maharashtra and South India at lower prices. It might be negatively affected to bearish sentiment. On the other hand, as on November 28, 26.24 lakh tonne (Lt) of imported wheat were discharged, of which 20.02 Lt have been moved to various FCI's depots and the balance 6.22- Lt is in the process of bagging and dispatch. Acreage of wheat has already reached to 15.42 million hectares, up by 1.36 mil ha. Acreage is gradually increasing in all producing regions and non-producing regions of wheat likely Bihar and West Bengal.

FUTURES MARKETS:

NCDEX wheat futures closed at negative territory Saturday on lack of buying support at higher level and profit taking ahead of the weekend. Market failed to hold the positive sentiment and selling pressure pulled down prices. Most active January contract slipped Rs.5.40 at Rs.1103 following steady opening at Rs.1108.40 and hovered between Rs.1103-1115.

PRICE DRIVERS:

Bullish:

1. Lack of sellers at lower level of prices; Weak arrival

Bearish:

1. No demand from South India, Assam & Maharashtra
2. Continuing arrival of imported wheat

WEATHER:

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

SPOT MARKET PRICE FOR WHEAT (s./Quintal)

Markets	Variety	2.12.06	1.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1120-1125	1110-1115	+10.00
Haryana (Karnal)	Wheat Mill quality	1070-1075	1070-1075	-
Punjab (Khanna)	Wheat Mill quality	1100-1105	1100-1105	-
Gujarat (Ahmedabad)	Wheat Mill quality	1195-1200	1195-1200	-
Rajasthan (Kota)	Wheat Mill quality	1135-1140	1130-1135	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1130-1135	1130-1135	-
Madhya Pradesh (Indore)	Wheat Mill quality	1155-1165	1160-1170	-5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1125-1130	1125-1130	-

TECHNICALS:

Candlesticks predict bearish market for the next trading day. %K-line going to up following made a bullish cut with %D-line at neutral region, indicating upward 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 improved but volume of trade significantly decreased. Market is likely to remain bearish following weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1063	1058	1072	1077	1085
Jan.	1095	1088	1103	1108	1115

TRADE RECOMMENDATION:

Intraday traders might take position to **Sell** NCDEX-JANUARY below 1106 with target towards 1096, second target near 1086. Put stop loss above 1112.

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