

WHEAT DAILY

27th DECEMBER, 2006

SPOT MARKETS:

Wheat prices turn down at Rs. 1090-1095/qrtl at Lawrence road in Delhi wholesale grains market on reduce offtake by roller flourmills. The arrivals remain 3000-4000 bags. At Narela/Najagarh mandis the price quoted around Rs.1040/qrtl. The arrivals reported 1500-1800 bags. Poor demand from South India added bearish tone at the market. Stockists selling amidst poor demand are also favouring the bearish sentiments. However, wheat prices in U.P. and Punjab remain somewhat up on lower arrivals amidst steady demand. Millers demand has improved somewhat. Some unseasonal rainfall is also restricted the market activities in some parts of India. However, traders are optimistic about rising demand of millers in short period. MNCs are remained silent so far. Wheat sowing acreage has been increased this season in 250.06 lakh ha as compared to 218.84 lakh ha during the corresponding period last year.

FUTURES MARKETS:

A bearish trading is witnessing at futures market with lower volume and slightly decreased Open Interest. Increased speculative selling slid down the futures initially. However, some buying interest has observed at lower price levels. January contract traded at around Rs.1019 over last closing off Rs.1029.20 following a weak opening at Rs.1027 and hovered between Rs.1015-1027.20. The February contract is also remained bearish following a weak opening and traded around Rs.1029.80 as compared to last closing off Rs.1032.60 and moved between Rs.1021.00-1032.00 during Tuesday's trading.

PRICE DRIVERS:

Bullish:

1. Depleting stocks amidst some millers demand from Punjab, UP
2. Lower stocks of millers

Bearish:

1. Lower demand from South India
2. Conducive weather factor as well as higher acreage is supporting the estimated higher production of 74 MMT

WEATHER:

Weather is cloudy; some drizzling is also reported. Day temperature is somewhat higher. Comparatively lower temperature would be more desirable.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	26.12.06	23.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1090-1095	1100	-5.00
Haryana (Karnal)	Wheat Mill quality	1052-1057	1050-1055	+2.00
Punjab (Khanna)	Wheat Mill quality	1050-1052	1028-1030	+12.00
Gujarat (Ahmedabad)	Wheat Mill quality	1190-1195	1190-1195	-
Rajasthan (Kota)	Wheat Mill quality	1100-1105	1095-1100	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1105-1110	1100-1105	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1130-1135	1125-1130	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1085-1095	1080-1085	+10.00

TECHNICALS:

Candlesticks hint weak sentiments and reflect sellers mainly dominated the market. Stochastic is in oversold region. The %K-line moving downwards following a bearish crossover, indicating weak note at medium term. Prices closed much below 9-day and 18-day EMA. MACD is in negative territory and moving slightly downwards. Volume has increased and Open Interest has decreased slightly. Markets are likely to trade bearish following a steady to weak opening.

NCDEX Wheat January Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Jan.	1000	1005	1019	1025	1032

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-JANUARY below 1023 with target towards 1013, second target near 1007. Put stop loss above 1028.

Do not carry forward the position until the next day.

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