

WHEAT DAILY

20th DECEMBER, 2006

SPOT MARKETS:

Wheat prices remain flat around 1075-1078/qrtl. at Lawrence road in Delhi wholesale grains market during Monday. Upwards trade in the futures market has supported the spot market tone. However, spot market is still ruling slightly higher as compared to futures market. Arrivals are around 5000 bags at Delhi mandis on reduced offtake by roller flourmills. At Narela/Najafgarh the prices remain at Rs. 1035-1040/qrtl and arrivals reportedly about 1500-1800 bags. No demand from South India has witnessed from Delhi and Punjab as regular arrivals of imported wheat reported from Maharashtra and South India. Thin domestic demand, higher production outlook, conducive weather for the wheat crop and signs of increased planted area mainly governing the market sentiments. Increased acreage of wheat this year has exceeded the last year's coverage in the middle of this month by about 10%. However, wheat coverage is yet to reach the normal area of 260.50-lakh hectare.

FUTURES MARKETS:

Futures market opened higher and recovered from some of the early days losses. Most active January contract remaining higher at around Rs.1059.80 over last closing off Rs.1038.40 following firm opening at Rs.1039 and hovered between Rs.1039-1063 while near month December contract is also remained sharply bullish initially but slid down on selling pressure afterwards and traded around Rs.940.2 as compared to last closing off Rs.936.80 and moved between Rs.940-970 during Tuesday's trading.

PRICE DRIVERS:

Bullish:

1. Depleting stocks amidst steady demand

Bearish:

1. Lower demand amidst steady arrivals
2. Conducive weather factor is supporting the estimated higher production
3. GOI approves duty free wheat imports until February 28

WEATHER:

Weather is clear and dry which is congenial for the crop. However, comparatively lower temperature would be more desirable.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.12.06	18.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1075-1078	1075-1080	-
Haryana (Karnal)	Wheat Mill quality	1030-1035	1030-1035	-
Punjab (Khanna)	Wheat Mill quality	1010-1015	NA	-
Gujarat (Ahmedabad)	Wheat Mill quality	1180-1185	1180-1185	-
Rajasthan (Kota)	Wheat Mill quality	1095-1110	1110-1115	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1070-1080	1090-1095	-15.00
Madhya Pradesh (Indore)	Wheat Mill quality	1115-1120	NA	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1060-1065	1075-1080	-15.00

TECHNICALS:

Candlesticks hint firm sentiments and reflect that buyers dominated the market. %K-line moving upwards following a bullish crossover in normal region, indicating positive note. Prices closed just above 9-day and 18-day EMA, hinting firm market for medium term and MACD is in negative territory and moving upwards indicates firm market for medium term. Volume as well as Open Interest has increased. Markets are likely to trade upwards following a firm opening.

NCDEX Wheat January Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Jan.	1040	1050	1059.8	1077	1085

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-JANUARY above 1056 with target towards 1066, second target near 1071. Put stop loss below 1046.

Do not carry forward the position until the next day.

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