

WHEAT DAILY

13th DECEMBER, 2006

SPOT MARKETS:

Wheat prices continued steady Tuesday in M.P., Gujarat and Delhi grain market amidst steady demand supply scenario. There was weak demand from South India and Maharashtra market due to regular arrival of imported wheat is pressurising the market tone. Wheat dara prices remained flat at Rs.1120-1125/qrtl with poor arrival of 5000-6000 bags at the Lawrence road mandis in Delhi. Reduced arrival has offset poor stockists demand. However the prices remain down in U.P. market due to steady arrival against thin demand from the flourmill sector. Regular arrivals of imported wheat at Southern side has also triggered the prices down in North Western regions, trades said. It is estimated that 6.6 lakh tonnes of wheat imported by private traders has also reached the country as on December 1, 2006. STC has contracted for import 55 lakh tonnes of wheat out of which 35 lakh tonnes has already reached the country. Further, Govt. of India has extended the ECA in respect of wheat for a period of six months or till further order, whichever is earlier. It is likely to support the bearish tone at the market. In addition, wheat sowing is progressing well and it reached to 207.44 lakh hectares as of December 8, which is roughly 80% of the normal area of 260.50 lakh hectares.

FUTURES MARKETS:

NCDEX wheat futures opened mixed and slowly increased from the early dips on some buying interest at the early session. However, slight profit taking at higher levels pressurised the futures thereafter and settled red. Most active January contract hovered between Rs. 1055-1068. Near month December contract moved within the range of Rs. 1074-1084 during Tuesday's trading.

PRICE DRIVERS:

Bullish:

1. Steady supply at lower levels amidst depleting stocks

Bearish:

1. Regular arrival of imported wheat in southern parts
2. Stockists selling; Weak products demand

WEATHER:

Lower temperature in Northwest India is favoring development of wheat crop.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	12.12.06	11.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1120-1125	1120-1125	-
Haryana (Karnal)	Wheat Mill quality	1070-1075	1060-1070	+5.00
Punjab (Khanna)	Wheat Mill quality	1070-1075	1075-1080	+5.00
Gujarat (Ahmedabad)	Wheat Mill quality	1190-1195	1190-1195	-
Rajasthan (Kota)	Wheat Mill quality	1115-1120	1120-1125	+5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1115-1120	1110-1115	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1175-1180	1175-1180	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1115-1120	1110-1115	-5.00

TECHNICALS:

Candlesticks hints somewhat firm market. %K-line moving northwards following a bullish crossover in normal region, indicating positive note. Prices closed just below 9-day and 18-day EMA, hinting weak market for medium term and MACD is in negative territory and moving slightly upwards indicates somewhat firm market for medium term. Open interest has increased somewhat but volume of trade has decreased. Markets are likely to trade down following a steady to weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R2	R1
Jan.	1061	1068	1079.2	1086	1095

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-JANUARY above 1070 with target towards 1080, second target near 1085. Put stop loss below 1065.

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