

## WHEAT DAILY

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

### SPOT MARKETS:

Bearish sentiments of wheat are prevailed in majority of spot markets. At Lawrence road the price quoted steady at Rs 1120-1130/qlt. during Thursday. Arrivals are reported to 5500-6000 bags. At Narela and Najafgarh the price quoted at Rs. 1075/1085/qlt. and arrivals are reportedly 1500-1600 bags. According to trade sources the Punjab Govt. is likely to release some stocks through PDS system shortly. Govt. of India has extended the ECA in respect of wheat for a period of six months or till further order. These factors motivated the stockists to release their hoarding in open market. The wheat prices remained somewhat down at Punjab mandis. Moderate demand from the rolling flourmills and chakki mills is remain the supporting factor. Mill owners are interested to increase their stocks. However, no demand is witnessed from Southern parts of India and this is no doubt pressurizing the market tone. According to the Govt. India wheat output of 2007 is likely to increase 74 MT on conducive weather factor for crop development. Acreage has increased by 22.5 per cent to 20.74 million hectares as of December 8th, 2006.

### FUTURES MARKETS:

Futures market at NCDEX opened mix and traded upwards initially. However, selling interest at higher levels capped some of the early gains thereafter. Finally the futures settled red. Most active January contract hovered between Rs. 1066.20-1079.80. Near month December contract moved within the range of Rs. 1041.40-1060 during Thursday's trading.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks amidst steady demand

#### Bearish:

1. Regular arrival of imported wheat in southern parts
2. 2007 wheat out put is likely to increase at 74 MT

### WEATHER:

Current weather is friendly for the development of the crop. Sowing should be completed by mid of December, and any delay would result in a yield loss.

### TECHNICALS:

Candlesticks hint weak sentiments. Sellers dominated the market at higher price levels. %K-line moving slightly upwards following a bullish crossover in normal region, indicating positive note. Prices closed below 9-day and 18-day EMA, hinting weak market for medium term and MACD is in negative territory and moving upwards indicates somewhat firm market for medium term. Volume has decreased and Open interest has increased slightly. Markets are likely to trade slightly downwards initially following a weak opening and late upwards movement thereafter.

### NCDEX Wheat January Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R2	R1
Jan.	1052	1062	1070.4	1086	1095

### TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-JANUARY above 1064 with target towards 1074, second target near 1079. Put stop loss below 1059.

Do not carry forward the position until the next day.

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

Markets	Variety	14.12.06	13.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1120-1130	1120-1125	-
Haryana (Karnal)	Wheat Mill quality	1065-1070	1065-1070	-
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	1115-1120	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1105-1110	1110-1115	-5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1150-1160	1170-1175	-15.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1100-1110	1110-1115	-5.00

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