

WHEAT DAILY

12th DECEMBER, 2006

SPOT MARKETS:

Wheat prices restricted at previous level Monday in M.P., Gujarat and Delhi grain market on stable demand supply scenario. Reduced arrival has offset poor stockists demand. Therefore wheat dara prices remained steady at Rs.1120-1125/qrtl with reduced arrival of 5000-6000 bags at the Lawrence road mandis in Delhi. Demand for wheat products continued to remain sluggish therefore flourmillers' demand got slackened. However the prices plunged in Haryana, Punjab, Rajasthan and U.P. market due to steady arrival against listless demand from the flourmill sector. There was no demand from South India and Maharashtra market due to regular arrival of imported wheat. It 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 reached the country. Besides, aggressive selling by stockists due to quality deterioration also added to bearish tone. 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. The entire major wheat-growing belts have reported significantly higher cumulative acreages as compared to last year.

FUTURES MARKETS:

NCDEX wheat futures rebounded to up on Monday on strong buying support and profit booking. Futures market opened mixed and gradually increased thereafter amidst technical buying as the market went to oversold condition. Most active January contract surged Rs.15.20 at Rs.1078.60 following weak opening at Rs.1061.60 and hovered within the range of Rs.1061.40-1081.20.

PRICE DRIVERS:

Bullish:

1. Reduced supply and depleting stocks

Bearish:

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

WEATHER:

Major wheat areas of north India are experiencing dip in temperature, favoring development of wheat.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	11.12.06	9.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1120-1125	1120-1125	-
Haryana (Karnal)	Wheat Mill quality	1060-1070	1070-1075	-10.00
Punjab (Khanna)	Wheat Mill quality	1075-1080	1085-1090	-10.00
Gujarat (Ahmedabad)	Wheat Mill quality	1190-1195	1190-1195	-
Rajasthan (Kota)	Wheat Mill quality	1120-1125	1125-1130	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1110-1115	1110-1115	-
Madhya Pradesh (Indore)	Wheat Mill quality	1175-1180	1175-1185	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1110-1115	1115-1120	-5.00

TECHNICALS:

Candlesticks hints bullish market. %K-line moving up after a bullish crossover in oversold region, indicating bullish market. Prices closed just below 9-day and 18-day EMA, hinting weak market for medium term and MACD indicates steady market for medium term. Open interest decreased but volume of trade increased. Markets are likely to trade up following steady to strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES:

Month	S1	S2	PCP	R1	R2
Dec.	1057	1050	1063.0	1073	1083
Jan.	1072	1063	1078.6	1088	1095

TRADE RECOMMENDATION:

Intraday traders might take position to **Buy** NCDEX-JANUARY above 1074 with target towards 1086, second target near 1094. Put stop loss below 1067.

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