

WHEAT DAILY

21st DECEMBER, 2006

SPOT MARKETS:

Wheat prices quoted at some higher levels between Rs.1090-1095/mtl at Lawrence road in Delhi wholesale grains market during Wednesday. The arrivals remain almost steady around 4000-5000 bags. Stockists selling are continued in the market yards. Lower demand from South India is prevailed in the market. Lack of direction in the futures market has confused the traders. However, spot market prices remain higher as compared to future market. December wheat contract on its expiry day traded around Rs.908/mtl. Open Interest remains 13410 MT. About 16815 MT stocks in NCDEX accredited Warehouses is reported as on December 19, 2006. Thin domestic demand, higher production outlook, conducive weather for the wheat crop and signs of increased planted area mainly pressurising 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 mix. Most active January contract moved almost sideways and traded at around Rs.1059.60 over last closing off Rs.1058 following firm opening at Rs.1060 and hovered between Rs.1051-1065 before settled up with marginal gains while near month December contract is remained bearish following a weak opening and traded around Rs.908 as compared to last closing off Rs.945.80 and moved between Rs.908-943. Finally the December contract settled at Day's low during Wednesday's trading.

PRICE DRIVERS:

Bullish:

1. Depleting stocks

Bearish:

1. Lower demand from South India amidst stockists selling
2. Conducive weather factor is supporting the estimated higher production
3. GOI approves duty free wheat imports until February 28

WEATHER:

Weather is cloudy and day temperature is somewhat higher. Comparatively lower temperature would be more desirable.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	20.12.06	19.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1090-1095	1075-1078	+17.00
Haryana (Karnal)	Wheat Mill quality	1035-1040	1030-1035	+5.00
Punjab (Khanna)	Wheat Mill quality	1010-1015	1010-1015	-
Gujarat (Ahmedabad)	Wheat Mill quality	1180-1185	1180-1185	-
Rajasthan (Kota)	Wheat Mill quality	1100-1105	1095-1110	-5.00
Uttar Pradesh (Kanpur)	Wheat Mill quality	1075-1080	1070-1080	-
Madhya Pradesh (Indore)	Wheat Mill quality	1115-1120	1115-1120	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1055-1060	1060-1065	-5.00

TECHNICALS:

Candlesticks hint firm sentiments and reflect that buyers dominated the market at lower price levels. %K-line moving upwards following a bullish crossover in normal region, indicating positive note. Prices closed below 9-day and 18-day EMA. MACD is in negative territory and moving upwards indicates firm market for medium term. Volume as well as Open Interest has decreased. Markets are likely to trade downwards initially following a steady to firm opening and upward movement thereafter.

NCDEX Wheat January Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Jan.	1040	1050	1059.6	1075	1081

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-JANUARY above 1054 with target towards 1064, second target near 1069. Put stop loss below 1049.

Do not carry forward the position until the next day.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.