

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat price turns weak at Rs. 1100-1105 at Lawrence road in Delhi wholesale grains market during Friday. The arrivals have increased to 10000-11000 bags on increased selling interest of stockists. According to trade sources, Punjab government is expected to release around 2,40000 quintals of wheat as Public Distribution System at much lower rate. It is likely to have a bearish impact on the futures market. India government is allowing duty free wheat imports until February 28, 2007. It also affected the futures market negatively. Therefore stockists are releasing stocks. Increased arrivals amidst steady demand are mainly underpinning the spot market tone.

### FUTURES MARKETS:

Futures market opened weak and falling gradually due to speculative selling interest. Most active January contract remaining at around Rs.1053.00 over last closing off Rs.1070.40 following weak opening at Rs.1069.20 and hovering between Rs.1047-1072 while near month December contract is trading around Rs.1006.40 as compared to last closing off Rs.1043 and moving between Rs.1006.40-1043.60 during Friday'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
3. GOI approves duty free wheat imports until February 28

### 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 downwards following a bearish crossover in normal region, indicating weak note. Prices closed below 9-day and 18-day EMA, hinting weak market for medium term and MACD is in negative territory and moving downwards indicates weak market for medium term. Volume has increased and Open interest remained almost steady. Markets are likely to trade slightly upwards initially following a steady to firm opening and downward movement thereafter.

### NCDEX Wheat January Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R2	R1
Jan.	1035	1042	1053	1065	1068

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-JANUARY below 1060 with target towards 1050, second target near 1045. Put stop loss below 1065.

Do not carry forward the position until the next day.

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

Markets	Variety	15.12.06	14.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1100-1105	1120-1130	-25.00
Haryana (Karnal)	Wheat Mill quality	1055-1060	1065-1070	-10.00
Punjab (Khanna)	Wheat Mill quality	1060-1065	1070-1075	-10.00
Gujarat (Ahmedabad)	Wheat Mill quality	1195-1200	1190-1195	-5.00
Rajasthan (Kota)	Wheat Mill quality	1115-1120	1115-1120	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1105-1110	1105-1110	-
Madhya Pradesh (Indore)	Wheat Mill quality	1140-1145	1150-1160	-15.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1085-1090	1100-1110	-20.00

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