

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices remain weak at Rs. 1090/qrtl at Lawrence road in Delhi wholesale grains market on lower demand and reduce offtake by roller flourmills. The arrivals improve from previous day and reportedly around 7000-8000 bags. Stockists selling are continued in the market yards. Poor demand from South India added underlying bearish tone at the market. Stockists selling amidst poor demand are also favouring the bearish sentiments. Sowing acreage has been increased significantly and reported to 31.22 lakh more hectares this rabi season as compared to last year. Total sowing is reported to 250.06 lakh hectares compared to 218.84 lakh hectares during the corresponding period last year. Favourable weather condition, higher acreage is supporting the higher production outlook. However, millers demand is likely to improve in the coming.

### FUTURES MARKETS:

Wheat futures continued bearish with lower volume as well as lower Open Interest. Increased speculative selling interest among the investors is continuing pressuring the futures market and slid down much lower side. January contract traded at around Rs.1008 over last closing off Rs.1020.80 following a weak opening at Rs.1020 and hovered between Rs.1008-1021. The February contract is also remained bearish following a weak opening and traded around Rs.1019 as compared to last closing off Rs.1029.20 and moved between Rs.1018.00-1029.20 during Wednesday's trading.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. Lower stocks of millers

#### Bearish:

1. Lower demand from South India
2. Conducive weather factor as well as higher acreage is supporting the estimated higher production of 74 MMT

### WEATHER:

Weather is cloudy; some drizzling is also reported. Day temperature is somewhat higher. Comparatively lower temperature would be more desirable.

### TECHNICALS:

Candlesticks hint weak sentiments and reflect sellers mainly dominated the market. Stochastic is in oversold region. The %K-line moving downwards, indicating weak note at medium term. Prices closed much below 9-day and 18-day EMA. MACD is in negative territory and moving downwards. Volume as well as Open Interest has decreased. Markets are likely to trade bearish following a weak opening.

### NCDEX Wheat January Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Jan.	990	995	1008	1015	1022

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-JANUARY below 1012 with target towards 1002, second target near 997. Put stop loss above 1014.

**Do not carry forward the position until the next day.**

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

Markets	Variety	27.12.06	26.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1090	1090-1095	-
Haryana (Karnal)	Wheat Mill quality	1052-1057	1052-1057	-
Punjab (Khanna)	Wheat Mill quality	1060-1065	1050-1052	+13.00
Gujarat (Ahmedabad)	Wheat Mill quality	1180-1185	1190-1195	-10.00
Rajasthan (Kota)	Wheat Mill quality	1100-1105	1100-1105	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1105-1110	1105-1110	-
Madhya Pradesh (Indore)	Wheat Mill quality	1130-1135	1130-1135	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1095-1100	1085-1095	+5.00

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