

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices remain steady at Rs. 1100/qrtl at Lawrence road in Delhi wholesale grains market with the arrivals of 3000-4000 bags during weekend. At Narela/Najagarh mandis the price quoted at Rs.1040-1045/qrtl on reduced offtake by roller flourmills. The arrival remained 1500-1800 bags. However, Punjab mandis witnessed some firmness in wheat prices due to improving demand of millers. Traders are optimistic about some increase in price in coming days due to some demand from millers. However, no demand from South India has witnessed from Delhi and Punjab as regular arrivals of imported wheat reported from Maharashtra and South India. Stockists' selling is continued in the open market. MNCs are remained silent so far. The outlook of higher production coupled with favourable weather for crop growth mainly supported the underlying bearish tone.

### FUTURES MARKETS:

A bearish trading is witnessing at futures market with higher volume and slightly lower Open Interest. Increased speculative selling slid down the futures and tested Two month's low. January contract traded at around Rs.1030.20 over last closing off Rs.1046.80 following a slightly weak opening at Rs.1046 and hovered between Rs.1026-1046. The February contract is also remained bearish following a firm opening and traded around Rs.1033 as compared to last closing off Rs.1042.60 and moved between Rs.1028.20-1045.60 during Saturday's trading.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks amidst some millers demand from UP
2. Lower stocks of millers

#### Bearish:

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

### TECHNICALS:

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

#### NCDEX Wheat January Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Jan.	1011	1022	1030.2	1044	1052

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-JANUARY below 1038 with target towards 1030, second target near 1025. Put stop loss above 1043.

Do not carry forward the position until the next day.

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

Markets	Variety	23.12.06	22.12.06	Change
Delhi (Lawrence Road)	Wheat Mill quality	1100	1100	-
Haryana (Karnal)	Wheat Mill quality	1050-1055	1050	+5.00
Punjab (Khanna)	Wheat Mill quality	1028-1030	1025-1030	-
Gujarat (Ahmedabad)	Wheat Mill quality	1190-1195	1185-1190	+5.00
Rajasthan (Kota)	Wheat Mill quality	1095-1100	1095-1100	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1100-1105	1090-1100	+5.00
Madhya Pradesh (Indore)	Wheat Mill quality	1125-1130	1120-1125	+5.00
Uttar Pradesh (Bareilly)	Wheat Mill quality	1080-1085	1075-1080	+5.00

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