

## WHEAT DAILY

15<sup>th</sup> JANUARY, 2007

### SPOT MARKETS:

Wheat prices remained mostly steady in majority of domestic markets. At Delhi, Wheat para for mills traded down by Rs.5 to Rs.1085/mtl on lower offtake by roller flourmills. Arrivals are reportedly steady about 3000 bags. High wheat prices leads to lower offtake of wheat products across the country. Steady arrivals of imported wheat in South India and Maharashtra resulted into lower demand from North India. Some arrivals started at Gujarat mandis. The peak arrival from Gujarat is expected to hit the market yards in January last. The traders from MP expected the arrivals to start from February. Traders are optimistic that Peak arrivals in those areas leads to decrease in prices on the lower demand from South India. Bearish fundamental on increase acreage along with favourable weather condition is pressurizing the market tone. Wheat has been sown in 279.434 lakh ha so far as on 12th January compared to 261.786 lakh ha in the corresponding period last year. Wheat covered 266.47 lakh ha area in the entire rabi 2005-06 season.

### FUTURES MARKETS:

Wheat futures at the NCDEX settled green with lower volumes and open interest. January contract opened weak at Rs.1055 as against the previous closing of Rs.1060.20. Some buying interest at lower levels settled up the contract by 1.34% at Rs 1074.40 and hovered in the range of Rs.1050-1077.80. The most active February contract is settled up by 0.31% at Rs. 1031.40 following a firm opening at Rs.1032 and hovered between Rs.1025.20-1037.60 during weekend.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. Agriculture Ministry is hopeful for a crop of around 74 Mln Tonnes; the trade is putting it at 72.8 Mln Tonnes.

#### Bearish:

1. Steady demand from roller flourmills
2. Higher acreage about 279.434 Lh as on 12th Jan, 2007 against same period of last year's 261.786 Lh

### WEATHER:

Present weather is conducive for crop growth.

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

Markets	Variety	13.01.07	12.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1085	1090	-5
Haryana (Karnal)	Wheat Mill quality	1040-1045	1040-1045	-
Punjab (Khanna)	Wheat Mill quality	1080-1085	1080-1085	-
Gujarat (Ahmedabad)	Wheat Mill quality	1187-1193	1185-1192	+1
Rajasthan (Kota)	Wheat Mill quality	1095-1100	1090-1095	+5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1115-1120	1115-1120	-
Madhya Pradesh (Indore)	Wheat Mill quality	1135-1140	1135-1140	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1100-1105	1095-1100	+5

### TECHNICALS:

Candlesticks showing weak tone. Trade couldn't sustain at higher price levels. Prices closed above 9-day and 18-day EMA. Stochastic are in overbought region and moving slightly upward, MACD is in positive territory and moving upwards. Volume as well as Open Interest has decreased. Wheat is likely to trade bearish following a weak opening.

### NCDEX Wheat February Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Feb.	1016	1021	1031.4	1043	1052

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1037 with target towards 1027, second target near 1022. Put stop loss above 1043.

Do not carry forward the position until the next day.

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