

WHEAT DAILY

23rd JANUARY, 2007

SPOT MARKETS:

Wheat prices remained almost steady to down in majority of domestic market in the country. At Delhi, the price of Wheat dara for mills traded flat at Rs.1080/qrtl on poor offtake by roller flourmills. Arrivals are also reportedly steady between 5,000-6,000 bags. Some offtake by chakki millers are reported. No rake demand for South India is reported due to the arrivals of imported wheat in South India and Maharashtra. The stock position in central pool is 55.94 Lakh tonnes as on 5.12.06. The wheat crop is likely to hit the market in the month of March- April. However, arrivals from Gujarat are expected to come in the market yards some earlier during January last. The Civil Supplies Department of Gujarat has ordered stock limits on wheat and wheat products like flour for retailers, wholesalers, and traders ahead of the wheat procurement season. The traders from MP mandis expected some fresh arrivals during February mid.

FUTURES MARKETS:

Wheat futures at the NCDEX traded firm with higher volumes and decreased open interest. The most active February contract opened marginally lower at Rs.1032.20 as against the previous closing of Rs.1032.60. Increased buying interest among investors settled up the contract by 0.56% at Rs.1038.40 and hovered in the range of Rs.1032-1048. The March contract is also settled up by 1.28% at Rs. 962 following a firm opening at Rs.953 and hovered between Rs.952.20-967.40 during Monday's trade.

PRICE DRIVERS:

Bullish:

1. Depleting stocks amidst some demand from chakki millers
2. The global wheat output in 2006-07 is projected at 588.56 mln tonnes, down by 5% produced in 2005-06.

Bearish:

1. Poor demand from roller flourmills
2. Higher acreage about 281.135 Lh as on 19th Jan, 2007 against same period of last year's 263.626 Lh

WEATHER:

Day temperature is somewhat higher. Comparatively lower temperature is desirable for wheat growth.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	21.01.07	20.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080	1080	-
Haryana (Karnal)	Wheat Mill quality	1030-1035	1045-1050	-15
Punjab (Khanna)	Wheat Mill quality	1085-1090	1086-1091	-1
Gujarat (Ahmedabad)	Wheat Mill quality	1180-1185	1190-1195	-10
Rajasthan (Kota)	Wheat Mill quality	1095-1100	1100-1105	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1090-1095	1090-1095	-
Madhya Pradesh (Indore)	Wheat Mill quality	1135-1140	1140-1145	-5
Uttar Pradesh (Bareilly)	Wheat Mill quality	1085-1090	1080-1085	+5

TECHNICALS:

Candlesticks showing some weak sentiments. Sellers dominated the market at higher price levels. Prices closed above 9-day and 18-day EMA. Stochastic are in normal region and moving upwards. MACD is in positive territory and moving upwards, indicating some firmness at medium term. Volume has increased whereas Open Interest has decreased. Wheat is likely to trade bearish following a steady to weak opening.

NCDEX Wheat February Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Feb.	1020	1025	1038.4	1045	1051

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1042 with target towards 1031, second target near 1025. Put stop loss near 1047.

Do not carry forward the position until the next day.

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