

WHEAT DAILY

19th JANUARY, 2007

SPOT MARKETS:

Wheat prices remained steady to somewhat firm in majority of domestic market in the country on the advice of some firm tone at futures market. At Delhi, the price of Wheat para for mills traded slightly up between Rs.1080-1085/mt on some offtake by chakki millers. Arrivals are reportedly steady between 5,000-6,000 bags. The demands of roller flourmillers are reportedly poor. Higher production outlook motivated stockists to liquidating their stock positions. The Ministry of Rural Development has permitted the release of 25245 Tonnes of wheat in the current year of 2006-07 to the nine Districts of Punjab State through Food Corporation of India under the (SGRY) scheme.

FUTURES MARKETS:

Wheat futures at the NCDEX traded higher with lower volumes and open interest. January contract opened lower at Rs.1067.20 as against the previous closing of Rs.1071.60. Increased buying support settled up the contract by 1.59% at Rs.1088.60 and hovered in the range of Rs.1067.20-1090.00. The most active February contract is also settled marginally up by 0.24% at Rs.1023 following a firm opening at Rs.1021 and hovered between Rs.1018.60-1027.20 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Depleting stocks amidst some demand from chakki millers
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.

TECHNICALS:

Candlesticks showing weak sentiments. Sellers restricted the upward movement at higher price levels. Prices closed in-between 9-day and 18-day EMA. Stochastic are in normal region and moving downwards. The %K line has made bearish crossover with the %D line. MACD is in positive territory and moving slightly downwards. Volume as well as 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.	1004	1009	1023	1030	1035

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1025 with target towards 1015, second target near 1019. Put stop loss above 1031.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	18.01.07	17.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080-1085	1080-1082	+3
Haryana (Karnal)	Wheat Mill quality	1040-1045	1040-1045	-
Punjab (Khanna)	Wheat Mill quality	1090-1095	1090-1095	-
Gujarat (Ahmedabad)	Wheat Mill quality	1195-1200	1195-1200	-
Rajasthan (Kota)	Wheat Mill quality	1110-1115	1110-1115	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1100-1105	1100-1105	-
Madhya Pradesh (Indore)	Wheat Mill quality	1150-1155	1140-1145	+10
Uttar Pradesh (Bareilly)	Wheat Mill quality	1070-1075	1080-1085	-10

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