

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices declined in majority of domestic markets on higher arrivals amidst poor demand at higher price levels. The lower wheat product demand due to higher prices restricted roller flour millers from purchasing wheat from open market. At Delhi, Wheat dara for mills quoted much down by Rs.10-20 at Rs.1060-1080/mtl on poor demand from roller flourmillers. Arrivals increased sharply to 15,000 bags from 4000-5000 bags during Thursday. The arrivals are reported from Punjab, Haryana and U.P. Stockists are interested to liquidating their stock position on the outlook of bearish fundamental. The price of wheat product such as atta has also declined by Rs.15-18. The fresh arrivals of wheat are reported from Gujarat mandis. In Rajkot, the fresh arrivals reported to 700-750 bags per day and price declined by Rs.5-10 further to Rs.1100. No demand from South India and Maharashtra is witnessed as of continuous arrivals of imported wheat there.

### FUTURES MARKETS:

Wheat futures at the NCDEX traded down with higher volumes and lower open interest. The most active February contract opened much lower at Rs.1022.40 as against the previous closing of Rs.1027.40. Increased selling pressure slid down the futures and settled down by 1.40% at Rs.1013 and hovered in the range of Rs.1012.20-1022.40. The March contract is also settled down by 0.90% at Rs. 942 following a weak opening at Rs.943 and hovered between Rs.938-948 during Saturday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Decreasing stocks

#### Bearish:

1. Poor demand all over India amidst higher arrivals
2. Poor demand of wheat products
3. 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	27.01.07	25.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1060-1070	1080	-10
Haryana (Karnal)	Wheat Mill quality	1025-1030	1035-1040	-10
Punjab (Khanna)	Wheat Mill quality	1080-1085	1085-1090	-5
Gujarat (Ahmedabad)	Wheat Mill quality	1160-1165	1165-1170	-5
Rajasthan (Kota)	Wheat Mill quality	1100-1105	1095-1100	+5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1050-1055	1070-1075	-20
Madhya Pradesh (Indore)	Wheat Mill quality	1105-1110	1115-1120	-10
Uttar Pradesh (Bareilly)	Wheat Mill quality	1045-1050	1060-1065	-15

### TECHNICALS:

Candlesticks showing some weak sentiments. Sellers dominated the market. Prices closed below 9-day and 18-day EMA. Stochastic are in normal region and moving downwards. MACD is in positive territory and moving downwards, indicating some weakness at medium term. Volume has decreased whereas Open Interest has increased. 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.	997	1002	1013	1020	1026

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL NCDEX-FEBRUARY** below 1015 with target towards 1006, second target near 1002. Put stop loss near 1020.

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

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