

## WHEAT DAILY

22<sup>nd</sup> JANUARY, 2007

### SPOT MARKETS:

Wheat sentiments remained mix at domestic markets. At Delhi, the price of Wheat dara for mills traded down by Rs.5 at Rs.1080/qrtl on no offtake by roller flourmills. Arrivals are reportedly improve between 5,000-6,000 bags from 3000-4000 bags at previous day. Some offtake by chakki millers are reported. The Punjab mandis reported some demand from roller flourmills. At Sunam mandis the wheat prices increased by Rs.10-20. However, the arrivals in the market yards are very poor. The farmers reportedly supply the crop directly to the mill rather than go for in the open market. No rake demand for South India is reported from the mandis. Near about, 4,00,000 tonne imported wheat is reportedly lying with mills in South India. The stock position in central pool is 55.94 Lakh tonnes as on 5.12.06. Gujarat mandis is reported 300-400 bags arrivals of fresh crop.

### FUTURES MARKETS:

Wheat futures at the NCDEX settled up with higher volumes and lower open interest. The most active February contract opened lower at Rs.1023 as against the previous closing of Rs.1024.20. Increased buying interest among investors traded up the contract by 0.76% at Rs.1032 and hovered in the range of Rs.1023-1035. The March contract is also settled up by 0.53% at Rs. 951 following a firm opening at Rs.947.80 and hovered between Rs.946.20-954.80 during Saturday'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 279.434 Lh as on 12th Jan, 2007 against same period of last year's 261.786 Lh

### WEATHER:

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

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

Markets	Variety	20.01.07	19.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080	1080-1085	-5
Haryana (Karnal)	Wheat Mill quality	1045-1050	1040-1045	+5
Punjab (Khanna)	Wheat Mill quality	1086-1091	1085-1090	+1
Gujarat (Ahmedabad)	Wheat Mill quality	1190-1195	1195-1200	-5
Rajasthan (Kota)	Wheat Mill quality	1100-1105	1110-1115	-10
Uttar Pradesh (Kanpur)	Wheat Mill quality	1090-1095	1095-1100	-5
Madhya Pradesh (Indore)	Wheat Mill quality	1140-1145	1150-1155	-10
Uttar Pradesh (Bareilly)	Wheat Mill quality	1080-1085	1070-1075	+10

### TECHNICALS:

Candlesticks showing firm sentiments. Buyers dominated the market. Prices closed above 9-day and 18-day EMA. Stochastic are in normal region and moving upwards. The %K line is likely to cross % D line from below. MACD is in positive territory and moving slightly upwards. Volume has increased whereas Open Interest has decreased. Wheat is likely to trade bullish following a steady to weak opening.

### NCDEX Wheat February Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Feb.	1019	1025	1032	1042	1047

### TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-FEBRUARY above 1028 with target towards 1038, second target near 1042. Put stop loss near 1023.

Do not carry forward the position until the next day.

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