

WHEAT DAILY

20th 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 rangebound between Rs.1080-1085/qlt on lower offtake by roller flourmills. Arrivals are reportedly down between 3,000-4,000 bags. Some offtake by chakki millers are reported. Stockists are in mood to release their stocks at some higher price levels. 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. 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.

FUTURES MARKETS:

Wheat futures at the NCDEX traded mix with higher volumes and open interest. January contract on its closing day opened higher at Rs.1090 as against the previous closing of Rs.1088.80. Increased squared off interest among investors settled up the contract by 1.03% at Rs.1100 and hovered in the range of Rs.1072-1121. The most active February contract is settled marginally down by 0.10% at Rs. 1023 following a firm opening at Rs.1025.80 and hovered between Rs.1022.00-1029.20 during Friday'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	19.01.07	18.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080-1085	1080-1085	-
Haryana (Karnal)	Wheat Mill quality	1040-1045	1040-1045	-
Punjab (Khanna)	Wheat Mill quality	1085-1090	1090-1095	-5
Gujarat (Ahmedabad)	Wheat Mill quality	1195-1200	1195-1200	-
Rajasthan (Kota)	Wheat Mill quality	1110-1115	1110-1115	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1095-1100	1100-1105	-5
Madhya Pradesh (Indore)	Wheat Mill quality	1150-1155	1150-1155	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1070-1075	1070-1075	-

TECHNICALS:

Candlesticks showing weak sentiments. Sellers dominated the market. Prices closed in-between 9-day and 18-day EMA. Stochastic are in normal region and moving downwards. MACD is in positive territory and moving slightly downwards. Volume as well as 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.	1008	1012	1023	1032	1038

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1027 with target towards 1017, second target near 1012. Put stop loss above 1032.

Do not carry forward the position until the next day.

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