

## WHEAT DAILY

31<sup>st</sup> JANUARY, 2007

### SPOT MARKETS:

Wheat prices are rolling down in majority of domestic markets on stockists selling in the wake of increased arrivals from producing belts and bearish fundamentals. The lower wheat product demand due to higher prices restricted roller flour millers from purchasing wheat from open market. However, atta prices declined by Rs.15 on lower demand. At Delhi, Wheat dara for mills decreased at Rs.1020/qrtl on selling pressure from stockists following increased supplies. Arrivals remained steady at higher levels at 10,000-12,000 bags. Reduced offtake from roller flourmills also had its affect on the trading sentiments. Significant volume of wheat has started arriving in market yards of Gujarat. In Rajkot, the fresh arrivals reported to 2,500-3,000 bags per day and price declined to Rs.1040-1050. Higher day temperature rising concern among experts on wheat yields. During the heading and flowering stages, excessively high, or low temperatures and drought are harmful to wheat.

### FUTURES MARKETS:

Wheat futures at the NCDEX traded firm with decreased volumes and lower open interest. The most active February contract opened lower at Rs.1000.20 as against the previous closing of Rs.1003.80. Increased buying interest at lower levels recovered the futures and settled up by 0.66% at Rs.1010.40 and hovered in the range of Rs.998.00-1019.80. The March contract is also traded up by 0.66% at Rs. 948.60 following a weak opening at Rs.936 and hovered between Rs.936-954 during Tuesday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Decreasing stocks

#### Bearish:

1. Poor demand all over India amidst higher arrivals
2. Higher acreage about 281.135 Lh as on 19th Jan, 2007 against same period of last year's 263.626 Lh

### WEATHER:

The temperature conditions at the time of grain filling and development are very crucial for yield. Temperatures above 25°C during this period tend to depress grain weight.

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

Markets	Variety	30.01.07	29.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1020	1020-1030	-10
Haryana (Karnal)	Wheat Mill quality	975-980	980-985	-5
Punjab (Khanna)	Wheat Mill quality	1050-1055	1045-1050	-5
Gujarat (Ahmedabad)	Wheat Mill quality	1100-1105	1125-1130	-25
Rajasthan (Kota)	Wheat Mill quality	1040-1045	1085-1090	-45
Uttar Pradesh (Kanpur)	Wheat Mill quality	1030-1035	1035-1040	-5
Madhya Pradesh (Indore)	Wheat Mill quality	1070-1075	1090-1095	-20
Uttar Pradesh (Bareilly)	Wheat Mill quality	1020-1025	1020-1025	-

### TECHNICALS:

Candlesticks showing some firm sentiments. However, sellers restricted the initial firmness at higher levels. Prices closed much below 9-day and 18-day EMA. Stochastic are in oversold region and moving upwards. MACD is in negative territory and moving downwards, indicating further weakness at medium term. 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.	993	1000	1010.4	1020	1026

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1014 with target towards 1004, second target near 1000. Put stop loss near 1020.

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

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