

WHEAT DAILY

24th JANUARY, 2007

SPOT MARKETS:

A mix sentiment is witnessed in wholesale wheat markets in the country. However, majority of mandis witnessed steady to weak sentiments on poor demand amidst steady arrivals. At Delhi, the price of Wheat dara for mills traded flat at Rs.1080/qrtl on poor offtake by roller flourmills. Arrivals are remained steady between 5,000-6,000 bags. No rake demand for South India is reported due to the arrivals of imported wheat in South India and Maharashtra. The increase arrivals in Gujarat mandis have pressurized the sentiments. In Rajkot, the fresh arrivals reported to 600-700 bags and price declined by Rs.10-20 to Rs.1105-1110. The higher arrival amidst poor demand has been mainly governing the market sentiments there. Some buying support is reported from local stockists. The Civil Supplies Department of Gujarat has ordered stock limits on wheat and wheat products like flour for retailers, wholesalers, and traders ahead of the wheat procurement season.

FUTURES MARKETS:

Wheat futures at the NCDEX traded mix with lower volumes and open interest. The most active February contract opened higher at Rs.1043.80 as against the previous closing of Rs.1036.80. Increased selling interest among investors settled down the contract by 0.17% at Rs.1035 and hovered in the range of Rs.1031.20-1043.80. The March contract is traded up by 0.65% at Rs. 965 following a weak opening at Rs.956.20 and hovered between Rs.954.20-968.40 during Tuesday'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 amidst some fresh arrivals in Gujarat
2. 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	22.01.07	21.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080	1080	-
Haryana (Karnal)	Wheat Mill quality	1035-1040	1030-1035	+5
Punjab (Khanna)	Wheat Mill quality	1091-1096	1085-1090	+6
Gujarat (Ahmedabad)	Wheat Mill quality	1175-1180	1180-1185	-5
Rajasthan (Kota)	Wheat Mill quality	1095-1100	1095-1100	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1075-1080	1090-1095	-15
Madhya Pradesh (Indore)	Wheat Mill quality	1130-1135	1135-1140	-5
Uttar Pradesh (Bareilly)	Wheat Mill quality	1070-1075	1085-1090	-15

TECHNICALS:

Candlesticks showing some weak sentiments. Sellers dominated the market. Prices closed above 9-day and 18-day EMA. Stochastic are in normal region and moving upwards. MACD is in positive territory and moving upwards, indicating some firmness 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.	1020	1025	1035	1048	1054

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-FEBRUARY above 1031 with target towards 1041, second target near 1046. Put stop loss near 1025.

Do not carry forward the position until the next day.

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