

## WHEAT DAILY

03<sup>rd</sup> JANUARY, 2007

### SPOT MARKETS:

Wheat prices remained flat in the wholesale grain market in the country on steady demand from millers. At Delhi, Wheat dara for mills traded steady between Rs.1095-1100/qlt. However, arrival turned higher around 10000 bags. Millers were the main buyers. Wheat prices at Punjab remained firm on increased offtake of roller flourmills. Demand from South India remained weak so far on continuous arrivals of imported wheat there. The ex-port price in Mangalore and Tuticorin is between Rs.1050-1070 per qtl. for Russian wheat. Wheat acreage has been increased in India about 263.91 lakh ha so far as on 28th December, 2006 compared to 247.25 lakh ha during the corresponding period of last year. Global wheat output is likely to be higher this time. Pakistan is likely to export about 500,000 MT of wheat onto the world market in the near-term. Winter wheat acreage is up in U.S. and crop conditions are favorable so far.

### FUTURES MARKETS:

Wheat futures turned bullish with lower volume and Open Interest. Increased speculative buying interest recovered the futures from early days plunged and traded upwards. January contract traded up around Rs.1015 following a firm opening at Rs.1007 over previous closing of Rs.1004.20 and moved in the range of Rs.1001.60-1018.00. The February contract is also remained bullish following a slightly weak opening and traded around Rs.1008 and moved between Rs.998-1011 during Tuesday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks
2. Lower stocks of millers

#### Bearish:

1. Steady demand from roller roller flourmills
2. Higher acreage about 263.91 Lh as on 28th December, 2006 against same period of last year's 247.25 Lh

### WEATHER:

Present weather is conducive for crop growth.

### TECHNICALS:

Candlesticks showing weak tone. Prices closed below 9-day and 18-day EMA. Stochastic are in normal region and moving upwards. MACD is in negative territory and moving upwards, indicating firm tone at medium term. Both Volumes as well as Open Interest has decreased. Wheat is likely to trade bearish following a firm opening.

#### NCDEX Wheat January Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Jan.	999	1008	1015	1027	1037

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-JANUARY below 1020 with target towards 1010, second target near 1005. Put stop loss near 1026.

Do not carry forward the position until the next day.

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

Markets	Variety	02.01.07	01.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1095-1100	1100	-
Haryana (Karnal)	Wheat Mill quality	1050-1055	1050-1055	-
Punjab (Khanna)	Wheat Mill quality	1050-1055	1050-1055	-
Gujarat (Ahmedabad)	Wheat Mill quality	1175-1180	1175-1180	-
Rajasthan (Kota)	Wheat Mill quality	1095-1100	1090-1095	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1105-1110	1105-1110	-
Madhya Pradesh (Indore)	Wheat Mill quality	1125-1130	1130-1135	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1070-1075	1070-1075	-

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