

## WHEAT DAILY

27<sup>th</sup> JANUARY, 2007

### SPOT MARKETS:

Wheat prices continued steady with weak undertone in majority of domestic markets on steady arrivals amidst poor demand at higher price levels. The lower wheat product demand due to higher prices restricted roller flour millers from purchasing wheat from open market. At Delhi, Wheat dara for mills quoted steady at Rs.1080/qrtl on lower demand from roller flourmillers. However some demand is witnessed from local chakki millers. Arrivals remained 4000-5000 bags. The fresh arrivals of wheat are reported from Gujarat mandis. In Rajkot, the fresh arrivals reported to 600-700 bags per day and price declined to Rs.1100-1105. However, the supply is confined in the state itself. No demand from South India and Maharashtra is witnessed as of continuous arrivals of imported wheat there. Some buying support is reported from local stockists. With the outlook of higher crops the Maharashtra Government eased storage limits on wholesalers imposed under the Essential Commodities Act.

### FUTURES MARKETS:

Wheat futures at the NCDEX traded mix with lower volumes and open interest. The most active February contract opened lower at Rs.1023 as against the previous closing of Rs.1023.60. Some buying interest at lower levels settled up the contract by 0.27% at Rs.1026.40 and hovered in the range of Rs.1022.40-1028.80. The March contract is settled down by 0.27% at Rs. 951 following a weak opening at Rs.953.40 and hovered between Rs.946.60-953.40 during Thursday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Depleting stocks amidst some demand from chakki millers
2. Agriculture Ministry is hopeful for a crop of around 74 Mln Tonnes

#### Bearish:

1. Poor demand all over India 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	25.01.07	24.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080	1080	-
Haryana (Karnal)	Wheat Mill quality	1035-1040	1035-1040	-
Punjab (Khanna)	Wheat Mill quality	1085-1090	1091-1096	-6
Gujarat (Ahmedabad)	Wheat Mill quality	1165-1170	1165-1170	-
Rajasthan (Kota)	Wheat Mill quality	1095-1100	1105-1110	-10
Uttar Pradesh (Kanpur)	Wheat Mill quality	1070-1075	1070-1075	-
Madhya Pradesh (Indore)	Wheat Mill quality	1115-1120	1130-1135	-15
Uttar Pradesh (Bareilly)	Wheat Mill quality	1060-1065	1060-1065	-

### TECHNICALS:

Candlesticks showing some firm sentiments. Buying support at lower levels has recovered 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 downwards, indicating some weakness at medium term. Volume as well as 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.	1013	1019	1026.4	1038	1045

### TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-FEBRUARY above 1024 with target towards 1034, second target near 1038. Put stop loss near 1019.

Do not carry forward the position until the next day.

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