

WHEAT DAILY

11th JANUARY, 2007

SPOT MARKETS:

Despite outlook for higher production of wheat coupled with favourable weather the prices are seen ruling much above the minimum support price, due to lower stocks with private stockists. At Delhi, Wheat dara for mills quoted up at Rs.1090-1095/ql. Arrival remained steady around 4000-5000 bags. High wheat prices resulted into lower offtake of wheat products across the country. Demand for wheat generally increase at the time of Christmas and continue during winter months. This time it is low so far. However, the demand of roller flourmills is expected to rise as they are having lower stocks. Increased millers demand at Punjab (Sunam) improved the wheat prices at Rs.990/Qt (loose) with 500 bags arrivals. While the Agriculture Ministry is hopeful for a crop of around 74 Mln Tonnes, the trade is putting it at 72.8 Mln Tonnes.

FUTURES MARKETS:

Wheat futures traded bearish and settled red with higher volumes and open interest. January contract opened weak at Rs.1060 as against the previous closing of Rs.1061.60. Increased selling pressure traded down the contract by 0.43% at Rs 1057 and hovered in the range of Rs.1047-1068. The most active February contract is also traded down by 0.08% at Rs. 1017.80 following a weak opening at Rs.1017 and hovered between Rs.1012.20-1021 during Wednesday's trade.

PRICE DRIVERS:

Bullish:

1. Depleting stocks
2. Agriculture Ministry is hopeful for a crop of around 74 Mln Tonnes; the trade is putting it at 72.8 Mln Tonnes.

Bearish:

1. Steady demand from roller flourmills
2. Higher acreage about 275.529 Lh as on 5th Jan, 2007 against same period of last year's 257.876 Lh

WEATHER:

Present weather is conducive for crop growth.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	10.01.07	09.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1090-1095	1095-1100	-5
Haryana (Karnal)	Wheat Mill quality	1040-1045	1040-1045	-
Punjab (Khanna)	Wheat Mill quality	1075-1080	1080-1085	-5
Gujarat (Ahmedabad)	Wheat Mill quality	1170-1175	1170-1175	-
Rajasthan (Kota)	Wheat Mill quality	1090-1095	1095-1100	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1120-1125	1120-1125	-
Madhya Pradesh (Indore)	Wheat Mill quality	1125-1130	1130-1135	-5
Uttar Pradesh (Bareilly)	Wheat Mill quality	1100-1105	1100-1105	-

TECHNICALS:

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

NCDEX Wheat February Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Feb.	1001	1005	1017.8	1025	1030

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1020 with target towards 1010, second target near 1005. Put stop loss above 1025.

Do not carry forward the position until the next day.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.