

WHEAT DAILY

25th JANUARY, 2007

SPOT MARKETS:

A weak sentiment is witnessed in wholesale wheat markets in the country 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. The wheat prices remained down at Rajkot mandis at Rs.1100-1110 and fresh arrivals are reported to 600-700 bags. 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. Taking note of a bumper wheat crop, the Maharashtra Government on Tuesday eased storage limits on wholesalers imposed under the Essential Commodities Act.

FUTURES MARKETS:

Wheat futures at the NCDEX traded down with higher volumes and lower open interest. The most active February contract opened lower at Rs.1029 as against the previous closing of Rs.1034.20. Increased selling interest among investors traded down the contract by 0.89% at Rs.1025 and hovered in the range of Rs.1005-1029. The March contract is also traded down by 0.89% at Rs. 954.6 following a weak opening at Rs.951.20 and hovered between Rs.925-959 during Wednesday'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	24.01.07	23.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080	1080	-
Haryana (Karnal)	Wheat Mill quality	1035-1040	1035-1040	-
Punjab (Khanna)	Wheat Mill quality	1091-1096	1091-1096	-
Gujarat (Ahmedabad)	Wheat Mill quality	1165-1170	1175-1180	-10
Rajasthan (Kota)	Wheat Mill quality	1105-1110	1095-1100	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1070-1075	1075-1080	-5
Madhya Pradesh (Indore)	Wheat Mill quality	1130-1135	1130-1135	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1060-1065	1070-1075	-10

TECHNICALS:

Candlesticks showing some weak sentiments. However, buying at lower levels has recovered the market. Prices closed below 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 has increased whereas 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.	1012	1016	1025	1042	1050

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-FEBRUARY above 1022 with target towards 1032, second target near 1040. Put stop loss near 1016.

Do not carry forward the position until the next day.

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