

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices declined sharply in majority of domestic markets on higher 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 decreased sharply by Rs.40-50 at Rs.1020-1030/qrtl on poor demand from roller flourmillers. Arrivals remained steady at higher levels at 10,000-12,000 bags from 4000-5000 bags during Thursday. The arrivals are reported from Punjab, Haryana and U.P. Stockists are interested to liquidating their stock position on the outlook of early arrivals of wheat in spot market. Bearish fundamental added the underlying down note. The fresh arrivals of wheat are reported from Gujarat mandis. In Rajkot, the fresh arrivals reported to 2,500-3,000bags per day and price declined by Rs.40-45 further to Rs.1050-1060. According to trade source the demand is likely to come in Gujarat mandis from Maharashtra in coming week.

### FUTURES MARKETS:

Wheat futures at the NCDEX tumbled down with higher volumes and lower open interest. The most active February contract opened much lower at Rs.1020 as against the previous closing of Rs.1015.20. Increased selling pressure slid down the futures and settled down by 1.28% at Rs.1002.20 and hovered in the range of Rs.993.20-1010. The March contract is also traded down by 0.25% at Rs. 941.20 following a weak opening at Rs.937.20 and hovered between Rs.932-946 during Monday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Decreasing stocks

#### Bearish:

1. Poor demand all over India amidst higher arrivals
2. Poor demand of wheat products
3. 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	29.01.07	27.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1020-1030	1060-1070	-40
Haryana (Karnal)	Wheat Mill quality	980-985	1025-1030	-45
Punjab (Khanna)	Wheat Mill quality	1045-1050	1080-1085	-35
Gujarat (Ahmedabad)	Wheat Mill quality	1125-1130	1160-1165	-35
Rajasthan (Kota)	Wheat Mill quality	1085-1090	1100-1105	-15
Uttar Pradesh (Kanpur)	Wheat Mill quality	1035-1040	1050-1055	-15
Madhya Pradesh (Indore)	Wheat Mill quality	1090-1095	1105-1110	-15
Uttar Pradesh (Bareilly)	Wheat Mill quality	1020-1025	1045-1050	-25

### TECHNICALS:

Candlesticks showing some weak sentiments. Sellers dominated the market. Prices closed much below 9-day and 18-day EMA. Stochastic are in oversold region and moving downwards. MACD is in negative territory and moving downwards, indicating further weakness at medium term. Volume has increased whereas 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.	984	993	1002.2	1008	1012

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1004 with target towards 996, second target near 992. Put stop loss near 1009.

Do not carry forward the position until the next day.

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