

WHEAT DAILY

18th JANUARY, 2007

SPOT MARKETS:

Wheat prices remained steady to slightly up in majority of domestic market in the country. At Delhi, the price of Wheat dara for mills traded between Rs.1080-1082/qlt on lower offtake by roller flourmills. Arrivals are reportedly increased to 5,000 bags from 3,000 bags on Tuesday. Some offtake by chakki millers are reported. Higher production outlook motivated stockists to release their stocks. Wheat prices in Punjab and Gujarat mandis are improves on good demand from chakki millers as against very poor arrivals. In Sunam mandi of Punjab the arrivals are declined sharply to 70-80 bags only as against 300-400 bags during Tuesday. Roller flourmillers are remained silent and waiting for the further bearish tone in coming future. Moreover, lack of direction at the futures market is also kept the traders mostly silent.

FUTURES MARKETS:

Wheat futures at the NCDEX traded mostly lower with higher volumes and open interest. January contract opened much higher at Rs.1084.80 as against the previous closing of Rs.1073.40. Increased selling pressure at higher levels tumbled down the contract. However it is managed to settled marginally up by 0.06% at Rs 1074 at final session and hovered in the range of Rs.1065-1084.80. The most active February contract is finished down by 58% at Rs. 1022 following a steady opening at Rs.1028 and hovered between Rs.1019-1028.80 during Wednesday'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; the trade is putting it at 72.8 Mln Tonnes.

Bearish:

1. Steady demand from roller flourmills
2. Higher acreage about 279.434 Lh as on 12th Jan, 2007 against same period of last year's 261.786 Lh

WEATHER:

Present weather is conducive for crop growth.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	17.01.07	16.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080-1082	1080	+2
Haryana (Karnal)	Wheat Mill quality	1040-1045	1040-1045	-
Punjab (Khanna)	Wheat Mill quality	1090-1095	1085-1090	+5
Gujarat (Ahmedabad)	Wheat Mill quality	1195-1200	1190-1193	+7
Rajasthan (Kota)	Wheat Mill quality	1110-1115	1095-1100	+15
Uttar Pradesh (Kanpur)	Wheat Mill quality	1100-1105	1105-1110	-5
Madhya Pradesh (Indore)	Wheat Mill quality	1140-1145	1140-1145	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1080-1085	1080-1085	-

TECHNICALS:

Candlesticks showing bearish tone. Sellers mainly dominated the market. Prices closed above 9-day and 18-day EMA. Stochastic are in normal region and moving downwards. The %K line has made bearish crossover with the %D line. MACD is in positive territory and moving slightly downwards. Volume as well as Open Interest has increased. Wheat is likely to trade bearish following a steady to firm opening.

NCDEX Wheat February Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Feb.	1005	1009	1022	1030	1035

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1026 with target towards 1016, second target near 1010. Put stop loss above 1031.

Do not carry forward the position until the next day.

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