

WHEAT DAILY

10th JANUARY, 2007

SPOT MARKETS:

Wheat prices quoted firm on the wholesale grains market. At Delhi, Wheat dara for mills quoted up at Rs.1095-1100/qrtl on lower arrivals amidst steady demand. Arrival remained steady around 5000 bags and mostly coming from Uttar Pradesh and Haryana. Stockists have been actively selling wheat in the open markets. The bullish tone of futures market added some strength in the market yards. However offtake from roller flourmills is reportedly steady. Slightly fresh arrivals are reported from Gujarat mandis. According to trade sources, the fresh arrivals from Gujarat are likely to hit the market after Mankar sankranti. However, lack of fundamental support for wheat on lower demand at higher price levels and higher production expectation coupled with favourable weather continuing pressurizing the market.

FUTURES MARKETS:

Wheat futures extended the previous days firmness at early hours with lower volumes and higher open interest. January contract opened much higher by 1.41% at Rs.1075. However, selling interest at higher levels curbed the early advances and settled down by 0.06% and hovered in the range of Rs.1052-1075. The most active February contract is also settled down by 0.35% at Rs. 1018 following a steady opening at Rs.1021 and hovered between Rs.1014-1023 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. Depleting stocks
2. Lower stocks of millers

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.

TECHNICALS:

Candlesticks showing weak tone, reflects sellers mainly dominated the markets at higher levels. Prices closed in-between 9-day and 18-day EMA. Stochastic are in normal region and moving upward, indicating firm tone at medium term. MACD is in negative territory and moving upwards. Volume has decreased whereas 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.	1004	1009	1018	1029	1034

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1023 with target towards 1013, second target near 1009. Put stop loss above 1028.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	09.01.07	08.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1095-1100	1090-1095	+5
Haryana (Karnal)	Wheat Mill quality	1040-1045	1040-1045	-
Punjab (Khanna)	Wheat Mill quality	1080-1085	1075-1080	+5
Gujarat (Ahmedabad)	Wheat Mill quality	1170-1175	1165-1170	+5
Rajasthan (Kota)	Wheat Mill quality	1095-1100	1090-1095	+5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1120-1125	1110-1115	+10
Madhya Pradesh (Indore)	Wheat Mill quality	1130-1135	1130-1135	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1100-1105	1100-1105	-

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.