

## WHEAT DAILY

28<sup>th</sup> FEBRUARY, 2007

### SPOT MARKETS:

Wheat prices remained weak in major wheat wholesale markets on bearish fundamental. At Delhi, Wheat dara for mills quoted down by Rs.5 at Rs.1035/qtl. The arrival turns up around 5,000-6,000 bags. FCI is releasing 14,000 tonnes wheat at Rs 986 per qtl in Delhi. Of the total amount 11,000 tonnes for flour millers and 3,000 tonnes for chakki millers. The FCI has declared to sale 3.65 lakh tonnes wheat under its open market scheme last week. FCI's previous tender, priced at Rs 12.32 per kg, postponed because of higher rates. However, buyers are not showing interest in purchasing the wheat from FCI as they are optimistic about further decline on wheat prices in coming days on plentiful harvest. The ample stocks are reported from millers to continue business for the next few weeks and they prefer to wait for fresh crop arrivals in March last to April. The wheat prices in Rajkot mandis quoted down between Rs.900-905/qtl on the back of lower fresh arrivals about 2000 bags. Farmers are not showing interest to release their full stocks at this price.

### FUTURES MARKETS:

Wheat futures at the NCDEX finished down with lower volumes and open interest. The most active March contract opened higher at Rs.964/qtl. as against the previous closing of Rs.960.2/qtl. Fresh selling at higher levels pressurized the futures and settled down by 0.52% at Rs.955.2/qtl and hovered in the range of Rs.954-964. The April contract is also settled down by 0.470% at Rs. 882.4/qtl following a higher opening at Rs.883/qtl and hovered between Rs.881.0-888.2 during Tuesday's trade.

### PRICE DRIVERS:

#### Bullish:

1. FCI quoted 4 Lakh MT of Wheat at floor price of Rs. 1232.50/qtl.

#### Bearish:

1. Govt. decision to release 365,000 tonnes of wheat through FCI in open markets
2. Wheat acreage increased to 284.497 Lh as on 19.02.07 as compared to 266.63 Lh during the same period of last year.
3. Central Govt's high concern about rising prices in essential commodities.

### WEATHER:

Present weather conditions are favourable for healthy growth of wheat that is on an average pre flowering to flowering stage.

### TECHNICALS:

Candlesticks showing bearish sentiments. The prices closed below both 9-day and 18-day EMA. Stochastic is in normal region and moving upwards following a bullish crossover. MACD is in positive region and running up. Wheat is likely to trade bearish following a steady to weak opening.

### NCDEX Wheat March Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	936	940	955.2	962	968

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-March contract below 957 with target towards 947, second target near 942. Put stop loss near 962.

Do not carry forward the position until the next day.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	27.02.07	26.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1035	1035-1040	-5
Haryana (Karnal)	Wheat Mill quality	990-995	990-995	-
Punjab (Khanna)	Wheat Mill quality	1060-1065	1060-1065	-
Rajasthan (Kota)	Wheat Mill quality	1035-1040	1035-1040	-
Uttar Pradesh (Kanpur)	Wheat Mill quality	1050-1055	1050-1055	-
Madhya Pradesh (Indore)	Wheat Mill quality	890-895	890-895	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1050-1055	1050-1055	-

## 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.