

WHEAT DAILY

24th FEBRUARY, 2007

SPOT MARKETS:

Wheat prices remained weak in majority of wheat wholesale markets. At Delhi, Wheat dard for mills declined to Rs.10/qttl to Rs.1050/qttl. The arrivals remained around 4,000-5,000 bags. The wheat prices in Rajkot mandis decline to Rs.905-910/qttl on the back of fresh arrivals of 6,000-7,000 bags. The government has planned to release 365,000 tonnes of wheat at 986.06 rupees per 100 kg to states for sale in open markets in February and March to curb the prices. This no doubt will add bearish tone in near future. The traders and millers are looking for the release. The prices of wheat product remained firm and the demand is likely to increase because of coming holi festivals. Some product demand is mainly supporting the sentiments. However, this year's area under wheat is 9.2 % more than the average and 6.8 % more than the last year's area. India is likely to produce a record Wheat crop this year if the weather continues to favours till harvest. 3. Central Govt's high concern about rising prices in essential commodities added bearish tone in the markets

FUTURES MARKETS:

Wheat futures at the NCDEX settled down with higher volumes and lower open interest. The most active March contract opened lower at Rs.952/qttl. as against the previous closing of Rs.956.8/qttl. Some selling interest at higher levels pressurised the futures and settled down by 1.02% at Rs.947/qttl and hovered in the range of Rs.946.0-956.2. The April contract is also settled down by 0.20% at Rs. 879.8/qttl during Friday's trade.

PRICE DRIVERS:

Bullish:

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

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 trading sentiments with lower open interest and higher volumes. The prices closed below 9-day and 18-day EMA. Stochastic is in oversold region and moving downwards. MACD is in positive region and running down. Wheat is likely to trade bullish following a steady to weak opening.

NCDEX Wheat March Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	930	936	947	957	962

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-March contract below 950 with target towards 941, second target near 937. Put stop loss near 955.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	23.02.07	22.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1050	1055-1060	-10
Haryana (Karnal)	Wheat Mill quality	1010-1015	1010-1015	-
Punjab (Khanna)	Wheat Mill quality	1080-1085	1085-1090	-5
Rajasthan (Kota)	Wheat Mill quality	1045-1050	1050-1055	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1060-1065	1065-1070	-5
Madhya Pradesh (Indore)	Wheat Mill quality	945-951	945-950	+1
Uttar Pradesh (Bareilly)	Wheat Mill quality	1060-1065	1070-1075	-10

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