

WHEAT DAILY

13th FEBRUARY, 2007

SPOT MARKETS:

Wheat prices continued steady to firm in majority of wheat wholesale markets. Bullish sentiments at futures market are supporting the futures. At Delhi, Wheat data for mills remained steady between Rs.1060-1065/qlt on the arrivals around 3,000-4,000 bags. The traders from M.P. are expecting fresh arrivals to hit markets from next week. The fresh western disturbance in some parts of India has brought cheers to wheat crop in the form rains and drop in mercury levels. The precipitation is very much helpful for the standing crops particularly cultivated under rainfed conditions. Chakki millers have been purchasing wheat from open markets. According to the second advance estimates of the Agriculture Ministry, this year's wheat output is 72.5 million as against the earlier estimate of 74 million tonnes, which also added some bullishness in the markets. The wheat products demand remained steady at higher sides. To contain price rise of wheat/atta, the Government has decided to release upto 4 lakh tons of wheat in February and March.

FUTURES MARKETS:

Wheat futures at the NCDEX settled higher with lower volumes and higher open interest. The most active February contract opened steady at Rs.1022.40/qlt. Increased buying interest lifted the futures and settled green by 1.00% at Rs.1032.60 and hovered in the range of Rs.1020-1034. The March contract is also settled up by 0.21% at Rs. 947.60 following a higher opening at Rs.948.80 and hovered between Rs.946-952 during Saturday's trade.

PRICE DRIVERS:

Bullish:

- Govt. estimated wheat output for the year to 72.5 million tonnes as against the earlier estimate of 74 million tonnes.

Bearish:

- Poor product demand all over India amidst Govt. decision to release 4 lakh tonnes of wheat through FCI
- Wheat acreage increased to 281.782 Lh as on 01.02.07 as compared to 264.336 Lh during the same period of last year.

WEATHER:

Present weather conditions are favourable for healthy growth of wheat that is at jointing to booting stage

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	12.02.07	10.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1080-1085	1060-1065	+20
Haryana (Karnal)	Wheat Mill quality	1040-1045	1020-1025	+20
Punjab (Khanna)	Wheat Mill quality	1050-1052	1040-1045	+10
Gujarat (Ahmedabad)	Wheat Mill quality	1060-1062	1165-1170	+5
Rajasthan (Kota)	Wheat Mill quality	1080-1084	1090-1095	-10
Uttar Pradesh (Kanpur)	Wheat Mill quality	1080-1085	1070-1075	+10
Madhya Pradesh (Indore)	Wheat Mill quality	1070-1073	1075-1080	-5
Uttar Pradesh (Bareilly)	Wheat Mill quality	1065-1070	1060-1065	+5

TECHNICALS:

Candlesticks showing tentativeness at higher levels as depicted by long upper shadow. However, the prices closed above 9-day and 18-day EMA suggests firmness in the market is intact. Stochastic is negative in neutral region in normal region, whereas MACD is running flat over neutral line. Wheat is likely to trade bearish after weak opening.

NCDEX Wheat March Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	936	942	954.6	964	970

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-March contract below 958 with target towards 949, second target near 946. Put stop loss near 963.

Do not carry forward the position until the next day.

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