

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices remained steady to down in majority of wheat wholesale markets. At Delhi, Wheat dara for mills traded at Rs.1090/qrtl on the steady arrivals around 5,000-6,000 bags. The wheat prices in Gujarat mandis remained weak on fresh arrivals. Rajkot mandis saw prices declined by Rs.30 on the back of fresh arrivals of 8,000-9,000 bags. The fresh arrivals are started Madhya Pradesh also. The Khandawa mandis witnessed around 1000 bags fresh arrivals. The government will start procuring wheat from Madhya Pradesh five days before of normal schedule i.e. March 15 instead of March 20 due to early arrivals in the markets. The Government is looking very aggressive in procuring wheat this season from the very beginning of crop arrivals. Big trading houses like Adanis, ITC, Cargill, Ruchi and AWB are also looking for huge procurement. They procured at least 1.4-1.5 million tonnes of wheat last year at rates higher than the MSP of Rs 650/qrtl. This year the government has raised the minimum support price (MSP) of wheat by Rs 100 to Rs 750 per quintal.

### FUTURES MARKETS:

Wheat futures at the NCDEX settled down with higher open interest. The most active March contract opened lower at Rs.975.2/qrtl. as against the previous closing of Rs.977.4/qrtl. Increased fresh selling and long liquidation at higher levels pushed down the futures to lower levels and settled down by 0.94% at Rs.968.2/qrtl and hovered in the range of Rs.967-977. The near month February contract is also settled down by 0.99% at Rs. 1056/qrtl following a higher opening at Rs.10694 and hovered between Rs.1050-1069 during Saturday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Firmness in wheat products as well as FCI quoted 4 Lakh MT of Wheat at floor price of Rs. 1232.50/qrtl.

#### Bearish:

1. Govt. decision to release 4 lakh tonnes of wheat through FCI
2. 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

### TECHNICALS:

Candlesticks showing weak sentiments. Sellers dominated the markets. The prices closed above 9-day and 18-day EMA. Stochastic is in normal region and moving downwards following a bearish crossover. MACD is in positive region and running down. Wheat is likely to trade bearish after steady to weak opening.

### NCDEX Wheat March Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	950	955	968.2	975	980

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-March contract below 970 with target towards 960, second target near 955. Put stop loss near 975.

Do not carry forward the position until the next day.

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

Markets	Variety	17.02.07	16.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1090	1090-1095	-5
Haryana (Karnal)	Wheat Mill quality	1060-1065	1055-1060	+5
Punjab (Khanna)	Wheat Mill quality	1080-1085	1080-1085	-
Rajasthan (Kota)	Wheat Mill quality	1105-1110	1111-1116	-6
Uttar Pradesh (Kanpur)	Wheat Mill quality	1100-1105	1100-1105	-
Madhya Pradesh (Indore)	Wheat Mill quality	1095-1100	1095-1100	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1080-1085	1075-1080	+5

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