

WHEAT DAILY

23rd FEBRUARY, 2007

SPOT MARKETS:

At Delhi, Wheat data for mills traded up between Rs.1055-1060/qlt on the back of steady arrivals around 4,000-5,000 bags. The wheat prices in Rajkot mandis remained steady between Rs.925-930/qlt on the back of fresh arrivals of 6,000-7,000 bags. The mandis in Indore witnessed 5,000-6,000 bags fresh arrivals and price quoted between Rs.930-935/qlt. The government has planned to release 365,000 tonnes of wheat to states for sale in open markets in February and March to curb the prices. Wheat would be released by the state-run Food Corp. of India at 986.06 rupees per 100 kg, and would be sold to consumers. 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. 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. The unseasonal rains during pre flowering stage of crops helped in crop growth.

FUTURES MARKETS:

Wheat futures at the NCDEX settled higher with higher volumes and lower open interest. The most active March contract opened higher at Rs.951/qlt. as against the previous closing of Rs.948.6/qlt. Some buying interest lifted the futures and settled up by 0.82% at Rs.956.4/qlt and hovered in the range of Rs.947.2-959.8. The April contract is also settled up by 0.25% at Rs. 879/qlt following a lower opening at Rs.876.6 and hovered between Rs.876.2-884.8 during Thursday's trade.

PRICE DRIVERS:

Bullish:

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

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.

WEATHER:

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

TECHNICALS:

Candlesticks showing firm trading sentiments. The prices closed just below 9-day and 18-day EMA. Stochastic is in normal region and moving upwards. The % K line likely to cross %D line from the below. 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	941	946	956.4	970	975

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-March contract above 951 with target towards 959, second target near 963. Put stop loss near 946.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	22.02.07	21.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1055-1060	1050	+10
Haryana (Karnal)	Wheat Mill quality	1010-1015	1010-1015	-
Punjab (Khanna)	Wheat Mill quality	1085-1090	1090-1095	-5
Rajasthan (Kota)	Wheat Mill quality	1050-1055	1055-1060	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1065-1070	1065-1070	-
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	930-935	+15
Uttar Pradesh (Bareilly)	Wheat Mill quality	1070-1075	1075-1080	-5

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