

WHEAT DAILY

26th FEBRUARY, 2007

SPOT MARKETS:

Wheat prices remained mix in major wheat wholesale markets. At Delhi, Wheat dara for mills quoted steady at Rs.1050/ql. The arrivals remained around 3,000-4,000 bags. The wheat prices in Rajkot mandis quoted between Rs.905-910/ql on the back of fresh arrivals of 6,000-7,000 bags. Wheat prices in Bhopal mandis has also decline on the pressure of fresh arrivals around 500-700 bags. The Indore mandis saw the fresh arrivals around 2000-3000 bags. However, in Sunam mandis of Punjab wheat prices has traded up on meagre stocks amidst some demand from chakki millers. 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. 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 up with lower volumes and open interest. The most active March contract opened lower at Rs.947/ql. as against the previous closing of Rs.947.6/ql. Some buying interest at lower levels recovered the futures from previous day's falling and settled up by 0.68% at Rs.954/ql and hovered in the range of Rs.946.2-954.8 during Saturday's trade.

PRICE DRIVERS:

Bullish:

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

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 bullish sentiments. The prices closed below 9-day and 18-day EMA. Stochastic is in normal region and moving upwards following a bullish crossover. MACD is in negative region and running down. Wheat is likely to trade bullish following a steady to firm opening.

NCDEX Wheat March Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	938	945	954	965	970

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-March contract above 950 with target towards 960, second target near 965. Put stop loss near 944.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	24.02.07	23.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1050	1050	-
Haryana (Karnal)	Wheat Mill quality	1020-1025	1010-1015	+10
Punjab (Khanna)	Wheat Mill quality	1080-1085	1080-1085	-
Rajasthan (Kota)	Wheat Mill quality	1040-1045	1045-1050	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1060-1065	1060-1065	-
Madhya Pradesh (Indore)	Wheat Mill quality	945-950	945-951	-1
Uttar Pradesh (Bareilly)	Wheat Mill quality	1065-1070	1060-1065	+5

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