

WHEAT DAILY

22nd FEBRUARY, 2007

SPOT MARKETS:

Wheat prices remained weak in majority of wheat wholesale markets. At Delhi, Wheat dara for mills traded flat at Rs.1050/qlt on the arrivals around 4,000-5,000 bags. The fresh arrivals are continued in Gujarat as well as Madhya Pradesh Mandis. The wheat prices in Rajkot mandis decline to 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 decline to Rs.930-935/qlt. 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. The news about the release of 365,000 tonnes of wheat from FCI stocks, through the States at Rs.986.06 per quintal plus reasonable handling charges no doubt will add further bearish tone. However, on the outlook of higher production, Agriculture Minister may allow the wheat export from India if weather conditions are favourable and output exceeds 72.5 Mln Tonnes this year. Private traders are also free to procure locally produced wheat. The higher purchase is expected during March last to April.

FUTURES MARKETS:

Wheat futures at the NCDEX settled mix with lower volumes and higher open interest. The most active March contract opened lower at Rs.946/qlt. as against the previous closing of Rs.949.6/qlt. Some buying interest supported the futures at lower levels, however the contract settled down by 0.06% at Rs.949/qlt and hovered in the range of Rs.942.2-951.0. during Wednesday'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 4 lakh tonnes of wheat through FCI
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 thin trading sentiments. The prices closed below 9-day and 18-day EMA. Stochastic is in over sold region and moving downwards. MACD is in positive region and running down. Wheat is likely to trade bearish after steady to firm opening.

NCDEX Wheat March Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	930	936	949	958	964

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-March contract below 953 with target towards 945, second target near 940. Put stop loss near 958.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	21.02.07	20.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1050	1050	-
Haryana (Karnal)	Wheat Mill quality	1010-1015	1020-1025	-10
Punjab (Khanna)	Wheat Mill quality	1090-1095	1090-1095	-
Rajasthan (Kota)	Wheat Mill quality	1055-1060	1075-1080	-20
Uttar Pradesh (Kanpur)	Wheat Mill quality	1065-1070	1080-1085	-15
Madhya Pradesh (Indore)	Wheat Mill quality	930-935	930-935	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1075-1080	1080-1085	-5

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