

WHEAT DAILY

20th FEBRUARY, 2007

SPOT MARKETS:

Wheat prices decline in majority of wheat wholesale markets on bearish fundamentals. At Delhi, Wheat dara for mills traded down by Rs.30/ qtl at Rs.1060/qtl on the steady arrivals around 5,000-6,000 bags. The wheat prices in Gujarat mandis remained weak on fresh arrivals. The wheat prices in Rajkot mandis remained Rs.930-940/qtl 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 lower arrivals are reported from Punjab mandis. The big farmers and stockists are not willing to release their stock at existing price levels.

FUTURES MARKETS:

Wheat futures at the NCDEX settled down with higher volumes and open interest. The most active March contract opened lower at Rs.967/qtl. as against the previous closing of Rs.968/qtl. Increased fresh selling and long liquidation at higher levels pushed down the futures to much lower levels and settled down by 1.71% at Rs.951.4/qtl and hovered in the range of Rs.947.2-967.0. The near month February contract is also settled down by 0.57% at Rs. 1050/qtl following a much lower opening at Rs.1045.20 and hovered between Rs.1025-1055 during Monday'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/qtl.

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 below 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	936	941	951.4	958	962

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-March contract below 953 with target towards 943, second target near 938. Put stop loss near 958.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.02.07	17.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1060	1090	-30
Haryana (Karnal)	Wheat Mill quality	1030-1035	1060-1065	-30
Punjab (Khanna)	Wheat Mill quality	1090-1095	1080-1085	-10
Rajasthan (Kota)	Wheat Mill quality	1090-1095	1105-1110	-15
Uttar Pradesh (Kanpur)	Wheat Mill quality	1090-1095	1100-1105	-10
Madhya Pradesh (Indore)	Wheat Mill quality	NA	1095-1100	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1080-1085	1080-1085	-

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