

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices ruling steady to firm in majority of wheat wholesale markets. At Delhi, Wheat dara for mills traded up between Rs.1100-1105/qrtl on the arrivals around 6,000-7,000 bags. However, wheat prices at futures market trading at lower levels as compared to spot prices, indicates that market expects prices to fall once the current crop is harvested and the produce reaches the markets. To control the rising prices of essential food items, the Govt has banned wheat exports for the year 2007. The higher prices of wheat in India makes the export not competitive also. The recent rainfalls in main wheat growing region of the country is beneficial for crop growth. Market arrivals of wheat generally begin from last of March to April every year, but due to early sowing operations in the current season, government expects early market arrivals. This year Govt. is likely to procure handsome amount of wheat and likewise announced a higher MSP of Rs.750/qrtl. The government's wheat stocks are reported to higher about 6.2 Mln Tonnes as on February 1 than those of 4.8 million tonnes a year ago. However, the stock is much lower than the stipulated 8.2 million tonnes.

### FUTURES MARKETS:

Wheat futures at the NCDEX turn bearish with lower volumes and higher open interest. The most active March contract opened lower at Rs.971/qrtl. Increased selling interest pressurised the futures at higher levels and settled down by 0.27% at Rs.967.8/qrtl and hovered in the range of Rs.963.6-975.0. The February contract is also settled down by 2.25% at Rs. 1053 following a much lower opening at Rs.1066.40 and hovered between Rs.1050-1075 during Wednesday's trade.

### PRICE DRIVERS:

#### Bullish:

1. Govt. estimated wheat output for the year to 72.5 million tonnes as against the earlier estimate of 74 million tonnes.

#### Bearish:

1. Poor product demand all over India amidst 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

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

Markets	Variety	14.02.07	13.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1100-1105	1085-1090	+15
Haryana (Karnal)	Wheat Mill quality	1055-1060	1050-1055	+5
Punjab (Khanna)	Wheat Mill quality	1050-1055	1050-1055	-
Rajasthan (Kota)	Wheat Mill quality	1115-1120	1075-1080	+40
Uttar Pradesh (Kanpur)	Wheat Mill quality	1095-1100	1095-1100	-
Madhya Pradesh (Indore)	Wheat Mill quality	1095-1100	1070-1075	+25
Uttar Pradesh (Bareilly)	Wheat Mill quality	1075-1080	1070-1075	+5

### TECHNICALS:

Candlesticks showing weak sentiments. The prices closed above 9-day and 18-day EMA. Stochastic is in neutral region and moving upwards. MACD is running higher over neutral line, indicating firm tone at medium term. Wheat is likely to trade bearish after firm opening.

### NCDEX Wheat March Contract



### SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	952	956	967.8	974	977

### TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-March contract below 970 with target towards 960, second target near 956. Put stop loss near 975.

Do not carry forward the position until the next day.

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