

WHEAT DAILY

10th FEBRUARY, 2007

SPOT MARKETS:

Wheat prices continued to rule steady at major wholesale markets amidst steady to subdued demand. In Delhi market, Wheat dala for mills stood steady around Rs.1060-1065/qrtl with arrivals reported to be around 4,000-5,000 bags. The wheat prices in Gujarat remained steady with weak biasness and quoted at Rs.1040/qrtl on continuous fresh arrivals around 4,500-5,000 bags. Chakki millers are the active buyers. With second advance estimates, released by Ministry of Agriculture, correcting the wheat production from 74 million tonnes to down 72.5 million tonnes due to high temperatures prevailed during January month, news of fresh imports in wheat has started gaining ground in both market as well as official circles. However, the fresh western disturbances are likely to bring some cheers to wheat crop in the form rains and drop in mercury levels. To contain price rise of wheat/atta, the Government has decided to release upto 4 lakh tons of wheat in February and March in the open market through the Food Corporation of India.

FUTURES MARKETS:

The most active February contract opened weak by Rs.0.80 at Rs.1015.40/qrtl. Increased buying support at the lower levels lifted the futures to test the highs of Rs.1024.80/qrtl, February contract fluctuated in the range of Rs.1010.00-1024.80/qrtl and finally settled up by 0.85% at Rs.1024.80/qrtl.

PRICE DRIVERS:

Bullish:

1. Decreasing stocks
2. 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

TECHNICALS:

Candlesticks showing firm sentiments. Prices closed above 9-day and 18-day EMA. Stochastic are in normal region and moving downwards. MACD is in negative territory and moving upwards. Volume has increased whereas Open Interest has decreased. Wheat is likely to trade bullish following a firm opening.

NCDEX Wheat February Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Feb.	1013	1017	1024.8	1036	1041

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-FEBRUARY above 1022 with target towards 1031, second target near 1036. Put stop loss near 1017.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	09.02.07	08.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1060-1065	1060-1065	-
Haryana (Karnal)	Wheat Mill quality	1010-1015	1000-1005	+10
Punjab (Khanna)	Wheat Mill quality	1040-1045	1050-1055	+10
Gujarat (Ahmedabad)	Wheat Mill quality	1160-1166	1155-1160	+6
Rajasthan (Kota)	Wheat Mill quality	1090-1095	1076-1082	+13
Uttar Pradesh (Kanpur)	Wheat Mill quality	1070-1075	1055-1060	+15
Madhya Pradesh (Indore)	Wheat Mill quality	1065-1070	1055-1060	+10
Uttar Pradesh (Bareilly)	Wheat Mill quality	1060-1065	1065-1070	-5

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