

WHEAT DAILY

27th FEBRUARY, 2007

SPOT MARKETS:

Wheat prices remained weak in major wheat wholesale markets on increased fresh arrivals some parts of country with good production outlook. At Delhi, Wheat dara for mills quoted down by Rs.10 between Rs.1035-1040/qlt. The arrivals remained around 2,000-3,000 bags. The wheat prices in Rajkot mandis quoted steady between Rs.905-910/qlt on the back of fresh arrivals of 4,000-5,000 bags. Some buying interests from chakki millers are reported from Punjab mandis. 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. According to trade sources some release is likely to be expected in Delhi mandis within a couple of days. This no doubt will add bearish tone further in near future. The traders and millers are looking for the release. The prices of wheat product remained firm and the demand is likely to increase because of coming holi festivals.

FUTURES MARKETS:

Wheat futures at the NCDEX settled green with higher volumes and open interest. The most active March contract opened lower at Rs.950/qlt. as against the previous closing of Rs.952.8/qlt. Buying interest at lower levels lifted the futures by 1.39% at Rs.966/qlt and hovered in the range of Rs.947-967. The April contract is also settled up by 0.79% at Rs. 888/qlt following a lower opening at Rs.880.8/qlt and hovered between Rs.979.0-888 during Monday's trade.s from previous day's falling and settled up by 0.68% at Rs.954/qlt 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/qlt.

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 healthv growth of

TECHNICALS:

Candlesticks showing bullish sentiments. The prices closed above 9-day and 18-day EMA. Stochastic is in normal region and moving upwards following a bullish crossover. MACD is in positive region and running up. 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	950	955	966	975	980

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-March contract above 961 with target towards 970, second target near 974. Put stop loss near 955.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	26.02.07	24.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1035-1040	1050	-10
Haryana (Karnal)	Wheat Mill quality	990-995	1020-1025	-30
Punjab (Khanna)	Wheat Mill quality	1060-1065	1080-1085	-20
Rajasthan (Kota)	Wheat Mill quality	1035-1040	1040-1045	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	1050-1055	1060-1065	-10
Madhya Pradesh (Indore)	Wheat Mill quality	890-895	945-950	-55
Uttar Pradesh (Bareilly)	Wheat Mill quality	1050-1055	1065-1070	-15

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