

## WHEAT DAILY

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

### SPOT MARKETS:

Wheat prices continued steady to firm in majority of wheat wholesale markets. Bullish sentiments at futures market are supporting the futures. At Delhi, Wheat data for mills remained steady between Rs.1060-1065/mtl on the arrivals around 3,000-4,000 bags. The traders from M.P. expecting fresh arrivals to start arriving in the markets next week. The fresh western disturbance in some parts of India has brought some cheers to wheat crop in the form rains and drop in mercury levels. The precipitation is very much helpful for the standing crops particularly cultivated under rainfed conditions. Chakki millers have been purchasing wheat from open markets. According to second advance estimates of the Agriculture Ministry, this year's wheat output is 72.5 million as against the earlier estimate of 74 million tonnes, added some bullishness in the markets. The wheat products demand remained steady at higher sides. To contain price rise of wheat/atta, the Government has decided to release upto 4 lakh tons of wheat in February and March.

### FUTURES MARKETS:

Wheat futures at the NCDEX settled higher with lower volumes and higher open interest. The most active February contract opened steady at Rs.1022.40/mtl. Increased buying interest lifted the futures and settled green by 1.00% at Rs.1032.60 and hovered in the range of Rs.1020-1034. The March contract is also settled up by 0.21% at Rs. 947.60 following a higher opening at Rs.948.80 and hovered between Rs.946-952 during Saturday's trade.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

- Poor product demand all over India amidst Govt. decision to release 4 lakh tonnes of wheat through FCI
- 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            | 10.02.07  | 09.02.07  | Change |
|--------------------------|--------------------|-----------|-----------|--------|
| Delhi (Lawrence Road)    | Wheat Mill quality | 1060-1065 | 1060-1065 | -      |
| Haryana (Karnal)         | Wheat Mill quality | 1020-1025 | 1010-1015 | +10    |
| Punjab (Khanna)          | Wheat Mill quality | 1040-1045 | 1040-1045 | -      |
| Gujarat (Ahmedabad)      | Wheat Mill quality | 1165-1170 | 1160-1166 | +4     |
| Rajasthan (Kota)         | Wheat Mill quality | 1090-1095 | 1090-1095 | -      |
| Uttar Pradesh (Kanpur)   | Wheat Mill quality | 1070-1075 | 1070-1075 | -      |
| Madhya Pradesh (Indore)  | Wheat Mill quality | 1075-1080 | 1065-1070 | +10    |
| Uttar Pradesh (Bareilly) | Wheat Mill quality | 1060-1065 | 1060-1065 | -      |

### TECHNICALS:

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

### NCDEX Wheat February Contract



### SUPPORT / RESISTANCES:

| Month | S2   | S1   | PCP    | R1   | R2   |
|-------|------|------|--------|------|------|
| Feb.  | 1020 | 1025 | 1032.6 | 1045 | 1051 |

### TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-FEBRUARY above 1029 with target towards 1039, second target near 1044. Put stop loss near 1023.

**Do not carry forward the position until the next day.**

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