

WHEAT DAILY

14th FEBRUARY, 2007

SPOT MARKETS:

Wheat prices ruling steady to firm in majority of wheat wholesale markets. Bullish sentiments at futures market supported the existing tone. At Delhi, Wheat dard for mills traded firm between Rs.1085-1090/qrtl on the arrivals around 6,000-7,000 bags. The prices of wheat product have declined in Delhi markets. The Rajkot market witnessed further eased in wheat prices by Rs.25 and quoted at Rs.970-975 on the fresh arrivals of 7000-8000bags. Rains and lower temperature across north India is conducive for standing wheat crops in the country. Moisture and low temperatures are crucial for the maturing crop, which is sown in November and mostly harvested from March. The fear of lower production has eased. Last week, Govt. cut back their forecast for this year to 72.5 Mln. tonnes from an earlier expectation of 74 Mln. Tonnes on rising temperature during earlier days. The Ministry of Food, Public Distribution and Consumer Affairs is likely to procure adequate quantity of wheat in 2007-08 marketing season in order to meet the PDS demand and to hold adequate buffer stock.

FUTURES MARKETS:

Wheat futures at the NCDEX settled much higher with higher volumes and lower open interest. The most active March contract opened lower at Rs.952.20/qrtl. Increased buying interest lifted the futures at much higher levels and settled up by 2.12% at Rs.975/qrtl and hovered in the range of Rs.952.20-975.00. The February contract is also settled up by 2.29% at Rs. 1079.60 following a higher opening at Rs.1063 and hovered between Rs.1057.00-1080.00 during Tuesday'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.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	13.02.07	12.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1085-1090	1080-1085	+5
Haryana (Karnal)	Wheat Mill quality	1050-1055	1040-1045	+10
Punjab (Khanna)	Wheat Mill quality	1050-1055	1050-1052	+3
Gujarat (Ahmedabad)	Wheat Mill quality	NA	1060-1062	-
Rajasthan (Kota)	Wheat Mill quality	1075-1080	1080-1084	-4
Uttar Pradesh (Kanpur)	Wheat Mill quality	1095-1100	1080-1085	+15
Madhya Pradesh (Indore)	Wheat Mill quality	1070-1075	1070-1073	+2
Uttar Pradesh (Bareilly)	Wheat Mill quality	1070-1075	1065-1070	+5

TECHNICALS:

Candlesticks showing firm sentiments. The prices closed much above 9-day and 18-day EMA suggests firmness in the market is intact. Stochastic is in neutral region and moving upwards. MACD is running higher over neutral line. Wheat is likely to trade bullish after firm opening.

NCDEX Wheat March Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	962	967	975	990	995

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-March contract above 971 with target towards 981, second target near 986. Put stop loss near 966.

Do not carry forward the position until the next day.

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