

WHEAT DAILY

21st FEBRUARY, 2007

SPOT MARKETS:

Wheat prices continued weak in majority of wheat wholesale markets. At Delhi, Wheat para for mills traded down further by Rs.10/ qtl at Rs.1050/qtl on the back of higher arrivals around 9,000-10,000 bags. The stockists are in mood of liquidating their stock position on the outlook of higher production this year. The fresh arrivals are started in Gujarat as well as Madhya Pradesh Mandis. The fresh arrivals are started Madhya Pradesh and Gujarat. The Khandawa mandis witnessed around 1000 bags fresh arrivals. The mandis in Indore witnessed 5,000-6,000 bags fresh arrivals. The government will start procuring wheat from Madhya Pradesh five days before of normal schedule. According to latest acreage data the Wheat has been sown in 284.497 lakh ha so far as on 19.02.07 in this rabi season as compared to 266.63 lakh ha in the corresponding period last year. Given the current favourable weather and crop conditions, India likely to produce a record Wheat crop during 2006-07 crop year, if the weather continues to favours till harvest. The unseasonal rains about a fortnight before helped in crop growth. The gains would be larger in size due to showers during pre flowering stage of crops.

FUTURES MARKETS:

Wheat futures at the NCDEX settled down with lower volumes and open interest. The most active March contract opened lower at Rs.947.2/qtl. as against the previous closing of Rs.953.2/qtl. Increased fresh selling and long liquidation at higher levels pushed down the futures to much lower levels and trading down by 0.23% at Rs.951/qtl and hovered in the range of Rs.942.4-952.0 during Tuesday's trade.

PRICE DRIVERS:

Bullish:

1. FCI quoted 4 Lakh MT of Wheat at floor price of Rs. 1232.50/qtl.

Bearish:

1. Govt. decision to release 4 lakh tonnes of wheat through FCI
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.

WEATHER:

Present weather conditions are favourable for healthy growth of wheat that is on an average pre flowering to flowering stage.

TECHNICALS:

Candlesticks showing firm sentiments. Long lower shadow reflects increased buying interest at lower levels. However, the prices closed below 9-day and 18-day EMA. Stochastic is in normal region and moving downwards following a bearish crossover. MACD is in positive region and running down. Wheat is likely to trade bullish after steady to firm opening.

NCDEX Wheat March Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
March	933	940	951	964	970

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-March contract above 948 with target towards 958, second target near 963. Put stop loss near 942.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	20.02.07	19.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1050	1060	-10
Haryana (Karnal)	Wheat Mill quality	1020-1025	1030-1035	-10
Punjab (Khanna)	Wheat Mill quality	1090-1095	1090-1095	-
Rajasthan (Kota)	Wheat Mill quality	1075-1080	1090-1095	-15
Uttar Pradesh (Kanpur)	Wheat Mill quality	1080-1085	1090-1095	-10
Madhya Pradesh (Indore)	Wheat Mill quality	930-935	NA	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	1080-1085	1080-1085	-

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