

WHEAT DAILY

09th FEBRUARY, 2007

SPOT MARKETS:

Wheat prices were quoted steady levels in majority of wheat wholesale markets. At Delhi, Wheat dara for mills remained steady between Rs.1060-1065/qlt on the arrivals around 8,000-10,000 bags. Chakki millers were the active buyers. The second advance estimates, released by Ministry of Agriculture has revised the Wheat output from 74 million tonnes to 72.5 million tonnes for 2006-07. Despite the increased acreage by over 17.5 lakh hectare, the possibility of some yield reduction due to rising mercury levels is mainly underpinning the bullish tone. In the majority of wheat producing areas the crop is in tillering to booting stages. The fresh western disturbances are likely to bring some relief to wheat crop in form rains and drop in mercury levels. However, if the temperature runs excessively high after that, then the situation would be harmful to wheat.

FUTURES MARKETS:

The most active February contract opened firm by Rs.6 at Rs.1020/qlt. Initially the futures were traded upwards to test the highs of Rs.1022/qlt, however, increased selling pressure pulled the futures downwards, touching the lows of Rs 1013/qlt. February contract fluctuated in the range of Rs.1022-1013/qlt and finally settled in the negative territory at Rs.1017/qlt.

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 which is at jointing to booting stage

TECHNICALS:

Candlesticks showing weak sentiments. Prices closed below 9-day and 18-day EMA. Stochastic are in normal region and moving downwards. MACD is in negative territory and moving downwards. Volume and Open Interest has decreased. Wheat is likely to trade bearish following a steady to weak opening.

NCDEX Wheat February Contract



SUPPORT / RESISTANCES:

Month	S2	S1	PCP	R1	R2
Feb.	1000	1005	1017.2	1028	1032

TRADE RECOMMENDATION:

Intraday traders might take position to **SELL** NCDEX-FEBRUARY below 1022 with target towards 1012, second target near 1007. Put stop loss near 1028.

Do not carry forward the position until the next day.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	08.02.07	07.02.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1060-1065	1060-1065	-
Haryana (Karnal)	Wheat Mill quality	1000-1005	1015-1020	-15
Punjab (Khanna)	Wheat Mill quality	1050-1055	1055-1060	-5
Gujarat (Ahmedabad)	Wheat Mill quality	1155-1160	1136-1141	+19
Rajasthan (Kota)	Wheat Mill quality	1076-1082	1055-1060	+22
Uttar Pradesh (Kanpur)	Wheat Mill quality	1055-1060	1040-1045	+15
Madhya Pradesh (Indore)	Wheat Mill quality	1055-1060	1065-1070	-10
Uttar Pradesh (Bareilly)	Wheat Mill quality	1065-1070	1065-1070	-

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