

WHEAT DAILY

02nd FEBRUARY, 2007

SPOT MARKETS:

Wheat prices turn up in majority of domestic markets during Thursday on decline arrivals. At Delhi, Wheat data for mills trading up by Rs.30 per Qtl. at Rs.1040-1050/ctl on decreased arrivals around 3,000-4000 bags. Stockists are interested to watch the market carefully before liquidating their full stocks. The lower demand of wheat and wheat products continued pressurizing the market. Fresh wheat crop has continued arriving in market yards of Gujarat. The higher acreage more than 281.20 lakh hectares so far with the average yields of 2700kg/ha has increased the production outlook this year. The crops in northern India are in mostly tillering stage. Winter rains in northern India have raised hopes of high wheat production. The day temperature is some higher level recently. No crop damage and expected yield reduction is reported so far. However, prolong high temperature in coming fortnight is not beneficial for crop growth.

FUTURES MARKETS:

Wheat futures at the NCDEX traded up with higher volumes and increase open interest. The most active February contract opened up at Rs.1014 as against the previous closing of Rs.1013.60. Increased buying interest at lower levels recovered the futures and settled up by 1.42% at Rs.1028 and hovered in the range of Rs.1014.00-1029.60. The March contract is also settled firm by 0.88% at Rs. 958 following a higher opening at Rs.950 and hovered between Rs.949.40-959.80 during Thursday's trade.

PRICE DRIVERS:

Bullish:

1. Decreasing stocks

Bearish:

1. Poor demand all over India amidst higher arrivals
2. Higher acreage about 281.135 Lh as on 19th Jan, 2007 against same period of last year's 263.626 Lh

WEATHER:

The temperature conditions at the time of grain filling and development are very crucial for yield. Temperatures above 25°C during this period tend to depress grain weight.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	01.02.07	31.01.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	1040-1050	1010	+40
Haryana (Karnal)	Wheat Mill quality	990-995	975-980	+15
Punjab (Khanna)	Wheat Mill quality	1051-1055	1055-1060	-5
Gujarat (Ahmedabad)	Wheat Mill quality	1105-1110	1100-1105	+5
Rajasthan (Kota)	Wheat Mill quality	1040-1045	1065-1070	+25
Uttar Pradesh (Kanpur)	Wheat Mill quality	1015-1020	1020-1025	-5
Madhya Pradesh (Indore)	Wheat Mill quality	1050-1055	1060-1065	-10
Uttar Pradesh (Bareilly)	Wheat Mill quality	1015-1020	1010	+10

TECHNICALS:

Candlesticks showing bullish market sentiments. Buyers dominated the market. Prices closed above 9-day and 18-day EMA. Stochastic are in normal region and moving upwards following a bullish crossover. MACD is in negative territory and moving upwards. Volume as well as 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.	1016	1020	1028	1040	1050

TRADE RECOMMENDATION:

Intraday traders might take position to **BUY** NCDEX-FEBRUARY below 1024 with target towards 1032, second target near 1037. Put stop loss near 1019.

Do not carry forward the position until the next day.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.