

Wheat Domestic Fundamentals:

- **Wheat cash market continued to reel under** pressure on better supply and sluggish demand from bulk users at weekend. Millers are sourcing wheat from FCI go-downs as well as from private trade. We expect wheat to trade range bound with weak bias likely to continue in the short term.
- **South Indian millers are sourcing wheat from** Rajasthan too from private trade at Rs 1750-Rs1760 per qtl. on mill delivered basis. Just against it they are uplifting wheat from FCI around Rs 1756 per qtl. at locally located warehouse. However, they get at least 10 days credit from private traders and get wheat at their mills. Thus they save local freight and labour in sourcing wheat from Rajasthan.
- **According to PIB (Press Information Bureau)**, wheat has been so far sown in 183.55 lakh hectares as compared to last year's 181.67 lakh hectares at the same time. Area in Rajasthan, Gujarat too have improved significantly in last one week and we expect area to cross last year's level(296 lakh ha.)as farmers are receiving attractive price at the time of sowing.
- **However, there is a fear circulating in the market that govt** would not be able to procure wheat as per set target of 40 million T next year without any incentives or bonus over and above MSP. They will prefer to retain 20 to 25 percent wheat stock for 4 -5 months and will get Rs 200 to250 higher than MSP. It sounds ok as retaining cost will not be more than Rs 30 to 40 per qtl.

International Market Update:

- According to latest USDA's WASDE report US ending stocks has been increased by 50 million bushels and Soft wheat export are reduced by 10 million tonnes. Global Wheat production estimates has been increased 655.11 million tonnes from 651.43 million tonnes. Trade has been marginally too increased. CBOT has fallen and international cash and future markets are expected to consolidate at lower levels.
- Iraq has made a purchase 350,000 tonnes of wheat from Australia and Romania. Romanian wheat was cheaper than Australian Wheat. Romanian Wheat has been purchased at USD 404/T CIF, whereas Australian wheat has been purchased in range of USD413/T-USD 407/t CIF.
- Indonesia has imposed 20% tariff on wheat flour import for next 200 days to protect its domestic flour millers from foreign imports in to Indonesia. This move may increase in import of wheat by 6-7% next year and Indonesia may import 7 million tonnes of wheat next year. Indonesia is the largest South East Asia importer, importing about 6.2 million tonnes of Wheat every year. Turkey is the largest wheat flour exporter having about 60% market share in wheat flour imports.

Domestic market Outlook: Wheat cash market is likely to trade range bound with weak bias likely to continue on improved production prospects.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-12	-1	1,620	1,620	1,620	1,620	60	-750	2,510	-100
Jan-13	-2	1,587	1,594	1,586	1,588	1,950	-1,490	14,650	-300
Feb-13	-4	1,575	1,577	1,568	1,569	790	-200	4,930	380
Mar-13	-16	1,472	1,477	1,454	1,464	560	540	700	290

Spread	Dec-12	Jan-13	Feb-13	Mar-13
Spot	-40			
Dec-12		-32		
Jan-13			-19	
Feb-13				-105

Stocks	Demat	In- Process	Total	FED
	13/12/2012	13/12/2012	13/12/2012	10/12/2012
Delhi	-	-	-	-
Itarsi	10	0	10	10
Kanpur	-	-	-	-
Kota	3788	0	3788	3757

CBOT Wheat Futures: Date: 12.12.2012

Contract	Open	High	Low	Close	+/-
Dec-12	808.25	817.5	806.25	814	5.5
Mar-13	820.5	829.5	818.75	826.25	5
May-13	829.5	836.5	827	833	3.5
Jul-13	843.75	849.25	843	845.75	2.25
Sep-13	857.75	863	853.75	859.5	1.75

Wheat Daily prices and Arrival On 15.12.2012

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-12-2012	14-12-2012	
Delhi	Lawrence Road	Mill Quality	1575	1580	-5
	Nazafgarh	Mill Delivery Loose	1560	1560	Unch
	Narella	Mill Delivery Loose	1525	1525	Unch
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1720	1710	10
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1650	1650	Unch
	Indore	Mill Delievery	1580	1580	Unch
Rajasthan	Kota	Mill Delivery	1620	1610	10
U.P.	Kanpur	Mill Delivery	1535	1540	-5
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
Haryana	Sirsa	Mill Delivery loose	1540	1545	-5
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Quality loose	1470	1475	-5
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1731	1731	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1731	1731	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-12-2012	14-12-2012	
Delhi					
	Lawrence Road	Mill Quality	2000	2000	Unch
	Nazafgarh	Mill Delivery Loose	200	150	50
	Narella	Mill Delivery Loose	400	500	-100
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	4000	3500	500
U.P.	Kanpur	Mill Delivery	600	600	Unch
Punjab	Khanna	Mill Quality Loose	300	300	Unch
Haryana	Sirsa	Mill Quality Loose	200	400	-200
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	50	100	-50
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	15/12/2012	14/12/2012	Change
Atta (50kg) Ordinary	885	885	Unch
Maida Grade 1 (90kg)	1878	1878	Unch
Maida Grade 1 (50KG)	1025	1025	Unch
Suji (50kg)	1100	1100	Unch
Chokar (50 kg)	648	648	Unch
Chokar (34 kg)	461	461	Unch
Chakki Atta (50kg)	905	905	Unch
Chakki Atta (50kg) Special	910	910	Unch
Chakki Atta (90kg) Superfine	1700	1700	Unch
Chakki Atta (50kg) Superfine	930	930	Unch

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