

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 80 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.
- 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.

Domestic market Outlook: We expect wheat Cash and future market to trade steady to weak due to increased supply under OMSS-D bulk users will restrict uptrend.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-12	0	1,620	1,625	1,620	1,620	320	120	2,110	-280
Jan-13	-2	1,592	1,594	1,587	1,589	1,080	-70	14,380	-110
Feb-13	-1	1,572	1,572	1,566	1,570	220	-90	4,930	-50
Mar-13	12	1,470	1,472	1,436	1,472	100	-90	750	0

Spread	Dec-12	Jan-13	Feb-13	Mar-13
Spot	-40			
Dec-12		-31		
Jan-13			-19	
Feb-13				-98

Stocks	Demat	In- Process	Total	FED
	15/12/2012	15/12/2012	15/12/2012	10/12/2012
Delhi	-	-	-	-
Itarsi	10	0	10	10
Kanpur	-	-	-	-
Kota	3788	0	3788	3757

CBOT Wheat Futures: Date: 15.12.2012

Contract	Open	High	Low	Close	+/-
Dec-12	-	-	-	-	-
Mar-13	-	-	-	-	-
May-13	-	-	-	-	-
Jul-13	-	-	-	-	-
Sep-13	-	-	-	-	-

Wheat Daily prices and Arrival On 17.12.2012

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12/17/2012	12/15/2012	
Delhi					
	Lawrence Road	Mill Quality	1580	1575	5
	Nazafgarh	Mill Delivery Loose	1540	1560	-20
	Narella	Mill Delivery Loose	1530	1525	5
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1710	1720	-10
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1625	1650	-25
	Indore	Mill Delievery	1560	1580	-20
Rajasthan	Kota	Mill Delivery	1600	1620	-20
U.P.	Kanpur	Mill Delivery	1535	1535	Unch
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
Haryana	Sirsa	Mill Delivery loose	1530	1540	-10
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Quality loose	1470	1470	Unch
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1725	1731	-6
	Gandhidham(Rajasthan-Kota)	Mill Quality	1725	1731	-6

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12/17/2012	12/15/2012	
Delhi					
	Lawrence Road	Mill Quality	1500	2000	-500
	Nazafgarh	Mill Delivery Loose	200	200	Unch
	Narella	Mill Delivery Loose	400	400	Unch
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-

M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Delivery	600	600	Unch
Punjab	Khanna	Mill Quality Loose	500	300	200
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	60	50	10
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	12/17/2012	12/15/2012	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)	660	648	12
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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