

Wheat Domestic Fundamentals:

- Wheat cash market is likely to trade steady to slightly weak on increased acreage, sluggish export demand and adequate supply from govt.'s stock.
- Sowing was on 22.74 million hectares till Friday, the highest in the corresponding period of the past five years, shows data from the department of agriculture. Year-on-year, the sowing was three per cent higher.
- Export bids have decreased too from \$328 to around \$324 per MT.
- All major wheat producing states have led a surge in wheat sowing during the week ended Friday, putting overall production on track for a record harvest in 2012-13, provided the weather remains favorable during the next few months.
- 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.

International Market Update:

- Argentina wheat export limit may be further reduced as crop production seems to be lower than previous estimate of 10.1 million tonnes. Traders and Research Analyst sees Argentina production at 9.5 million tonnes, due to regular rains which resulted in flooding of the fields.
- Bangladesh government got the lowest quote for wheat import from a domestic firm at USD 359.66/T CIF for 50, 000 MT. The price quote is higher than previous two tenders, which were USD 352.95/tonne CIF and \$344/tonne CIF.
- Russian domestic prices continue to rise due to fresh buying interest ahead of domestic holidays and festive season. Domestic EXW (ex-silo) prices in the European part of the Russia for third-grade and fourth-grade milling wheat rose 200 roubles and 225 roubles, respectively, to reach 10,900 roubles (USD 350) per tonne.

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	-5	1,620	1,620	1,613	1,616	710	390	1,130	-980
Jan-13	1	1,590	1,594	1,587	1,591	1,270	190	14,370	-10
Feb-13	1	1,570	1,574	1,567	1,570	780	560	5,350	420
Mar-13	-3	1,500	1,500	1,453	1,453	100	0	750	0

Spread	Dec-12	Jan-13	Feb-13	Mar-13
Spot	-31			
Dec-12		-25		
Jan-13			-21	
Feb-13				-117

Stocks	Demat	In- Process	Total	FED
	17/12/2012	17/12/2012	17/12/2012	17/12/2012
Delhi	-	-	-	-
Itarsi	10	0	10	10
Kanpur	-	-	-	-
Kota	3788	0	3788	3788

CBOT Wheat Futures: Date: 17.12.2012

Contract	Open	High	Low	Close	+/-
Dec-12	816.00	819.00	805.00	808.00	-6.00
Mar-13	828.25	830.75	816.75	820.00	-6.00
May-13	835.25	837.25	823.50	827.00	-6.00
Jul-13	846.25	847.25	836.50	840.00	-6.00
Sep-13	861.00	861.00	850.00	853.25	-6.25

Wheat Daily prices and Arrival On 18.12.2012

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12/18/2012	12/17/2012	
Delhi	Lawrence Road	Mill Quality	1585	1580	5
	Nazafgarh	Mill Delivery Loose	1555	1540	15
	Narella	Mill Delivery Loose	1525	1530	-5
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1715	1710	5
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1600	1625	-25
	Indore	Mill Delievery	1580	1560	20
Rajastha n	Kota	Mill Delivery	1621	1600	21
U.P.	Kanpur	Mill Delivery	1545	1535	10
Punjab	Khanna	Mill Quality Loose	1470	1450	20
Haryana	Sirsa	Mill Delivery loose	1540	1530	10
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Quality loose	1480	1470	10
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1725	1725	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1725	1725	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12/18/2012	12/17/2012	
Delhi					
	Lawrence Road	Mill Quality	1500	1500	Unch
	Nazafgarh	Mill Delivery Loose	200	200	Unch
	Narella	Mill Delivery Loose	350	400	-50
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	3500	4000	-500
U.P.	Kanpur	Mill Delivery	700	600	100
Punjab	Khanna	Mill Quality Loose	400	500	-100
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	100	60	40
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	12/18/2012	12/17/2012	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)	667	660	7
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

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.