

**Wheat Domestic Fundamentals:**

- **Wheat cash market traded slightly lower on expectation of higher supply** in the weeks ahead. Govt. may offer discount for wheat through open market sale scheme. Market expects a discount of Rs 100 per qtl. Govt. too is in urgency of offloading higher stock from central pool as new crop is hardly 3 months away from now.
- **On bearish outlook, supported by bumper crop prospects future market** too has seen a steep decline in last two days. Medium and bulk buyers are in wait and watch mood and are buying to fulfill their immediate requirements. Even exporters demand has decreased as global wheat prices are cooling down continuously.
- **The coverage area under wheat has crossed last year's level(286.38 against 281.80 lakh ha.)** till date(04.01.2013) and major increase has been seen in Uttar Pradesh(4 lakh ha.) M.P.(2.5 lakh ha.), Rajasthan(2.00 lakh ha.) and Bihar(2.00 ha.). Sowing in Bihar and Uttar Pradesh still continues and total area is likely to cross last year's level of 294 lakh ha. Lower area coverage in Gujarat and Maharashtra is likely to be compensated by higher area coverage in U.P. and M.P.
- **PEC has got the highest bid of USD 318/T from Glencore, which is lower than** the previous bid of USD 321/T. Bids have fallen due to sluggish demand in international market. Around 3.24 million Tonnes of wheat have been exported so far Since April 2012. Indian wheat has been bought aggressively by South-East Asian countries.

**International Market Update:**

- **Global wheat market continued to rule under pressure on** declined export volume from US and buyers have been able to source wheat at lower price from other source than US. Continuous holidays in international market too kept buyers at bay. However, we expect fresh buying interest at lower level and market might recover in the medium term as weather issue in US, Black Sea Region continues to haunt wheat farmers abroad. Short term outlook is bearish.
- **IGC may revise wheat production estimate down** further and global wheat consumption for feed grade wheat is expected to increase with recent dip in wheat prices. However, lower price in India and Australia continue to pose a challenge to US feed grade wheat even in the next marketing season. Next IGC report is due and the picture will be clearer further with its release.

**Domestic market Outlook:** We expect cash and future market to trade lower in the short and medium term as supply is likely to increase from govt.'s stock with some discount offer(Rs 100 per qtl) for domestic market.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Jan-13</b>	-44	1,568	1,568	1,527	1,530	4300	1,050	4700	-1320
<b>Feb-13</b>	-33	1554	1,554	1,520	1,520	8320	6270	5100	-2410
<b>Mar-13</b>	-19	1,455	1,465	1,450	1,450	2060	1440	740	-545
<b>Apr-13</b>	-12	1,400	1,405	1,385	1390	1,010	-250	2,100	-350

Spread	Jan-13	Feb-13	Mar-13	Arp-13
Spot	3			
Jan-13		-40		
Feb-13			-50	
Mar-13				-121

Stocks	Demat	In- Process	Total	FED
	04/01/2013	04/01/2013	04/01/2013	31/12/2012
Delhi	-	-	-	-
Itarsi	10	0	10	10
Kanpur	-	-	-	-
Kota	3788	0	3788	3788

### CBOT Wheat Futures: Date: 03.01.2013

Contract	Open	High	Low	Close	+/-
Dec-12	756.00	758.00	740.00	747.25	-8.00
Mar-13	765.00	768.00	749.00	756.75	-8.00
May-13	771.00	773.00	755.75	763.25	-8.00
Jul-13	785.00	785.00	768.50	774.75	-9.00
Sep-13	799.00	799.00	780.50	787.50	-9.50

### Wheat Daily prices and Arrival On 05.01.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1/5/2013	1/4/2013	
Delhi	Lawrence Road	Mill Quality	1580	1575	5
	Nazafgarh	Mill Delivery Loose	1550	1550	Unch
	Narella	Mill Delivery Loose	1535	1550	-15
Gujarat	Rajkot	Mill Delivery	1680	1680	Unch
	Ahmedabad	Mill Delivery	1700	1705	-5
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1600	1600	Unch
	Indore	Mill Delivery	1600	1585	15
Rajasthan	Kota	Mill Delivery	1620	1630	-10
U.P.	Kanpur	Mill Delivery	1545	1540	5
Punjab	Khanna	Mill Quality Loose	1475	1470	5
Haryana	Sirsa	Mill Delivery loose	1535	1525	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	1725	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1725	1725	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			1/5/2013	1/4/2013	

	Lawrence Road	Mill Quality	1000	2000	-1000
	Nazafgarh	Mill Delivery Loose	50	50	Unch
	Narella	Mill Delivery Loose	60	100	-40
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	2500	2000	500
U.P.	Kanpur	Mill Delivery	250	200	50
Punjab	Khanna	Mill Quality Loose	400	300	100
Haryana	Sirsa	Mill Quality Loose	500	100	400
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	50	100	-50
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	1/5/2013	1/4/2013	Change
Atta (50kg) Ordinary	910	910	Unch
Maida Grade 1 (90kg)	1878	1878	Unch
Maida Grade 1 (50KG)	1025	1025	Unch
Suji (50kg)	1100	1100	Unch
Chokar (50 kg)	695	705	-10
Chokar (34 kg)	473	479	-6
Chakki Atta (50kg)	930	930	Unch
Chakki Atta (50kg) Special	930	930	Unch
Chakki Atta (90kg) Superfine	1700	1700	Unch
Chakki Atta (50kg) Superfine	935	935	Unch

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