

Wheat Domestic Fundamentals:

- Key Spot market traded steady to weak as traders anticipate that government may reduce Rs 100/Q on wheat release price hence market participants are in wait and watch mode.
- PEC has got the highest Bid of USD 321/T from Dubai based Midgulf Company for its wheat tender.
- Wheat cash market traded slightly lower on expectation of higher supply in the weeks ahead. Government may offer discount for wheat through open market sale scheme. Market expects a discount of Rs 100 per qtl. Government 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.

International Market Update:

- Pakistani Seatrade Group will start shipping 100,000 tonnes of wheat to Iran by the end of this month. According to traders the price is around USD 300/T for this 100,000 tonnes. Pakistan will be buying Iron Ore and Fertilizer in return from Iran.
- 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 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
Jan-13	16	1,549	1,549	1,512	1,537	110	-1,810	3,100	-70
Feb-13	-10	1,513	1,513	1,492	1,505	4,750	-2,610	9,080	-450
Mar-13	-15	1,441	1,444	1,427	1,434	800	330	2,430	210
Apr-13	-4	1,396	1,406	1,391	1,399	840	-1,020	4,640	570

Spread	Jan-13	Feb-13	Mar-13	Apr-13
Spot	38			
Jan-13		-32		
Feb-13			-71	
Mar-13				-35

Stocks	Demat	In- Process	Total	FED
	07/01/2013	07/01/2013	07/01/2013	07/01/2013
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3788	0	3788	3788

CBOT Wheat Futures: Date: 07.01.2013

Contract	Open	High	Low	Close	+/-
Dec-12	749.5	760.5	743.5	751.25	4.00
Mar-13	757	770	753	761	4.25
May-13	764	774.5	759.25	767.75	4.50
Jul-13	773	786	771.75	781	6.25
Sep-13	790	798.75	784.5	795	7.50

Wheat Daily prices and Arrival On 08.01.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			1/8/2013	1/7/2013	
	Lawrence Road	Mill Quality	1575	1570	5
	Nazafgarh	Mill Delivery Loose	1550	1550	Unch
	Narella	Mill Delivery Loose	1535	1535	Unch
Gujarat	Rajkot	Mill Delivery	1650	1670	-20
	Ahmedabad	Mill Delivery	1700	1700	Unch
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1575	1575	Unch
	Indore	Mill Delivery	1600	1590	10
Rajasthan	Kota	Mill Delivery	1615	1620	-5
U.P.	Kanpur	Mill Delivery	1540	1545	-5
Punjab	Khanna	Mill Quality Loose	1475	1475	Unch
Haryana	Sirsa	Mill Delivery loose	1530	1530	Unch
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Quality loose	1490	1490	Unch
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1720	1725	-5
	Gandhidham(Rajasthan-Kota)	Mill Quality	1720	1725	-5

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			1/8/2013	1/7/2013	

	Lawrence Road	Mill Quality	2000	2500	-500
	Nazafgarh	Mill Delivery Loose	50	50	Unch
	Narella	Mill Delivery Loose	100	60	40
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	7000	1500	5500
U.P.	Kanpur	Mill Delivery	400	300	100
Punjab	Khanna	Mill Quality Loose	300	500	-200
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	80	100	-20
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	1/8/2013	1/7/2013	Change
Atta (50kg) Ordinary	915	910	5
Maida Grade 1 (90kg)	1888	1878	10
Maida Grade 1 (50KG)	1030	1025	5
Suji (50kg)	1105	1100	5
Chokar (50 kg)	685	690	-5
Chokar (34 kg)	470	470	Unch
Chakki Atta (50kg)	935	930	5
Chakki Atta (50kg) Special	935	930	5
Chakki Atta (90kg) Superfine	1726	1700	26
Chakki Atta (50kg) Superfine	940	935	5

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