

Wheat Domestic Fundamentals:

- Cash wheat market traded under pressure on increasing possibility of higher supply in the months ahead and improved production prospects in major wheat growing states. Govt. is considering to offer discount for domestic buyers and it too has impacted the prevailing sentiments in the market. On bearish outlook stake holders have released their position in forward months and NCDEX futures too have saw a steep fall in last one week. If prices continue to dip further export opportunity too may increase as international prices are ruling lower. Indian wheat supplies will remain ample at least for next 3-4 months as govt. is keen to augment supply and vacate storage for the new crop in next three -four months. New crop too is due in April.
- OMSS wheat release prices can be discounted by Rs 100 as wheat lifting has been low in previous releases. Government had allocated 6.5 million tonnes but half of the allocated quantity was lifted. Release prices had varied from Rs 1401/Q to Rs 1556/Q for different states. To increase lifting and reduce the stocks government can either go for cutting down prices to Rs 1,170/Q plus freight, absorbing the state levies or fixing the MSP as base price plus freight charges freeing away the state levies.
- Traders and Analyst have concerns that even if government reduces the release price wheat lifting might not pick pace as desired since wheat demand has been sluggish in open market. Traders feel the government should have a clear-cut procurement and selling policies so that traders and bulk purchasers can plan their move.
- Government has 34.38 million tonnes of wheat stock with it which is almost 3 times of the norm and with sowing for current crop has reached 28.6 million hectares which is higher than last year's 28.1 million hectares at the same time. With weather condition favorable and increased MSP farmers might shift to wheat and wheat's final sown area might be around 29.5 million hectares which will again create storage problem.

International Market Update:

- France exported 1.25 million tonnes of soft wheat in November, bringing the total wheat export so far for this season to 6.15 million, down 18 percent on the year-earlier period. France's wheat exports outside the EU since the start of the 2012-13 season on July 1 were down 20 percent at 3.53 million tonnes, while exports within EU were down 16 percent at 2.63 million tonnes
- Australian ending stock could hit critical low by July as buoyant exports and lower production of this year around 22 million tonnes as compared to previous year's 29.5 million tonnes. Australian wheat major importer Indonesia, South Korea, Philippines and China might have to look for other sources to procure wheat. However, it might not affect international prices as supply is expected to increase from other key exporters.
- **Outlook:** We expect wheat Cash and future market to trade steady to weak due to increased supply under OMSS-D bulk users will restrict untrend.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-13	20	1,539	1,565	1,534	1,565	50	-1,560	1,870	-80
Feb-13	-16	1,495	1,496	1,482	1,482	3,540	250	10,240	560
Mar-13	-12	1,433	1,434	1,427	1,428	700	-50	2,840	330
Apr-13	-6	1,395	1,396	1,390	1,395	90	-280	4,590	-50

Spread	Jan-13	Feb-13	Mar-13	Arp-13
Spot	10			
Jan-13		-83		
Feb-13			-54	
Mar-13				-33

Stocks	Demat	In- Process	Total	FED
	09/01/2013	09/01/2013	09/01/2013	07/01/2013
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3788	0	3788	3788

CBOT Wheat Futures: Date: 09.01.2013

Contract	Open	High	Low	Close	+/-
Dec-12	753.00	757.00	745.00	745.50	-5.00
Mar-13	762.00	766.00	754.00	755.00	-5.75
May-13	770.00	773.00	761.00	761.50	-5.75
Jul-13	778.00	784.00	772.00	772.50	-6.50
Sep-13	795.00	798.00	786.00	786.50	-6.25

Wheat Daily prices and Arrival On 11.01.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1/11/2013	1/10/2013	
Delhi	Lawrence Road	Mill Quality	1575	1570	5
	Nazafgarh	Mill Delivery Loose	1550	-	-
	Narella	Mill Delivery Loose	1525	-	-
Gujarat	Rajkot	Mill Delivery	1650	1650	Unch
	Ahmedabad	Mill Delivery	1700	1700	Unch
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1600	1575	25
	Indore	Mill Delievery	1575	1590	-15
Rajasthan	Kota	Mill Delivery	1600	1625	-25
U.P.	Kanpur	Mill Delivery	1555	1550	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	1580	1500	80
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1675	1675	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1675	1675	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			1/11/2013	1/10/2013	
Delhi	Lawrence Road	Mill Quality	2500	3000	-500
	Nazafgarh	Mill Delivery Loose	50	-	-
	Narella	Mill Delivery Loose	120	-	-
	Rajkot	Mill Delivery	-	-	-
Gujarat	Ahmadabad	Mill Delivery	-	-	-
	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
M.P.	Indore	Mill Delivery	-	-	-
	Kota	Mill Quality	6000	6000	Unch
Rajasthan	Kanpur	Mill Delivery	400	200	200
U.P.	Khanna	Mill Quality Loose	250	200	50
Punjab	Sirsa	Mill Quality Loose	200	200	Unch
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	50	50	Unch
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	1/11/2013	1/10/2013	Change
Atta (50kg) Ordinary	915	915	Unch
Maida Grade 1 (90kg)	1888	1888	Unch
Maida Grade 1 (50KG)	1030	1030	Unch
Suji (50kg)	1105	1105	Unch
Chokar (50 kg)	680	680	Unch
Chokar (34 kg)	470	470	Unch
Chakki Atta (50kg)	935	935	Unch
Chakki Atta (50kg) Special	935	935	Unch
Chakki Atta (90kg) Superfine	1726	1726	Unch
Chakki Atta (50kg) Superfine	940	940	Unch

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