Wheat Daily Report
22nd October 2012

Wheat Domestic Fundamentals:

- **Wheat market improved slightly on the back of higher** demand from flour millers ahead of continuous festivals in the weeks ahead. Wheat prices are likely to remain supportive following the improved pace of demand in the short term despite govt.'s intention to offload more wheat in domestic market in current financial year. However, medium term outlook depends on additional allocated quantity on month basis. Govt. may offload 7 million tonnes of wheat in the rest of the current MY.
- **Stock in private hands and with farmers is believed to** be at lower level and bulk/medium consumers are totally dependent on govt.'s release. Any aberration in release mechanism may create short supply in the domestic market, especially at consuming centers and may support prices further. Thus overall sentiment and directional move depend on govt's strategy of allocation and price for OMSS
- **STC has received the highest bid of USD 311.75/MT from** Dubai based Sun International. PEC has got highest bid of USD 310/MT from Australia based JK international for 40000 MT of wheat to be delivered from Krishnapattam port till 27 November. Other major bidders whose bids were lower are Concordia at USD 307.90/T, Starcomm at USD 307.39/T, Olam Singapore USD 297.67/T.

Wheat International Fundamental:

- **Global wheat market gains further on increased concern on** weather, crop prospects and possibility of negligible supply from black sea regions Nov. onward. Lower production in Australia, US and Argentina is supportive to the global wheat market fundamentals. Bullish outlook for maize too supports wheat market. Demand from feed industries has increased and we expect further gains to continue in the global wheat market.
- **Drought hit Ukraine may ban its Wheat export by November 15**. Ukraine, which consumes 12 million tonnes of wheat, harvested 15.5 million tonnes in clean weight this year. The ministry, however, is still sticking to its earlier quantity of 5 million tonnes of wheat for exports in the current season. However, overall view indicates that supply from black sea region is unlikely to continue.
- **Argentina crop sown area is around 3.7 million hectares which is 20% less as compared** to previous year's area. It is expected that it will produce 11.5 million tonnes of wheat this year. It clearly indicates that major importers cannot rely fully on Argentina. Higher grade wheat supply from Argentina will decrease considerably.

Domestic market Outlook:

We expect prices to rule steady to slightly weak on increasing possibility of higher allocation from govt.'s stock**.**Crop prospect seems very good.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-12	5	1,590	1,600	1,541	1,589	3,800	00	920	-10
Nov-12	5	1,545	1,558	1,555	1,551	3050	-4,960	17,830	120
Dec-12	3	1,556	1,570	1,545	1,560	1700	-1700	6060	2940
Jan-13	5	1,560	1,569	1,560	1,567	320	-310	1,220	80

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Spread	Oct-12	Nov-12	Dec-12	Jan-13
Spot	44			
Oct-12		0		
Nov-12			12	
Dec-12				6

Stocks	Demat	In- Process	Total	FED
	18/10/2012	18/10/2012	18/10/2012	15/10/2012
Delhi	-	-	-	-
Itarsi	98	0	98	98
Kanpur	-	-	-	-
Kota	1034	0	1134	837

CBOT Wheat Futures: Date: 18.10.2012

Contract	+/-	Open	High	Low	Close
Dec-12	+12.25	856.5	876	855.5	868.5
Mar-13	+12.00	870	888.25	868	880.75
May-13	+12.50	871.75	891.25	871.75	884.25
Jul-13	+10.25	835	853.75	835	847
Sept-13	+9.50	842	856.75	842	850.75

Wheat Daily prices and Arrival On 19.10.2012

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10/20/2012	10/19/2012	
Delhi	Lawrence Road	Mill Quality	1585	1585	Unch
	Nazafgarh	Mill Delivery Loose	1525	1525	Unch
	Narella	Mill Delivery Loose	1550	1550	Unch
Gujarat	Rajkot	Mill Delivery	1580	1580	Unch
	Ahmedabad	Mill Delivery	1625	1625	Unch
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1425	1400	25
	Indore	Mill Delievery	1600	1580	20
Rajasthan	Kota	Mill Quality	1500	1510	-10
U.P.	Kanpur	Mill Delivery	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	1450	1410	40
Haryana	Sirsa	Mill Delivery loose	1480	1470	10
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Quality loose	-	-	-
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1580	1575	5
	Gandhidham(Rajasthan-Kota)	Mill Quality	1580	1575	5

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Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10/20/2012	10/19/2012	
Delhi	Lawrence Road	Mill Quality	6000	7000	-1000
	Nazafgarh	Mill Delivery Loose	300	400	-100
	Narella	Mill Delivery Loose	300	400	-100
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Delivery	700	400	300
Punjab	Khanna	Mill Quality Loose	200	300	-100
Haryana	Sirsa	Mill Quality Loose	600	200	400
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	-	-	-
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	10/20/2012	10/19/2012	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)	630	630	Unch
Chokar (34 kg)	420	420	Unch
Chakki Atta (50kg)	905	905	Unch
Chakki Atta (50kg) Special	895	895	Unch
Chakki Atta (90kg) Superfine	1654	1654	Unch
Chakki Atta (50kg) Superfine	900	900	Unch