

Wheat Domestic Fundamentals:

- Area under wheat crop is likely to cross last year's level of almost 296 million hectares to 29 million hectares as guar field in Rajasthan may be shifted to wheat to a large extent. Better price realization at the time of sowing too encourage farmers to go for wheat planting supported by assured purchase on MSP in major producing states. However, major deciding factor for the final size of the crop would be temperature in March and April. Higher temperature might affect yield of wheat crop.
- **Wheat loading from Kota regions to south India continues in the** range of Rs 1850 to Rs 1895 per qtl. on delivered basis. Millers in Gujarat too are sourcing wheat from Rajasthan as wheat availability in cash markets in Gujarat has decreased considerably. Millers in Gujarat offer higher prices than exporters due to better margin in wheat products at the time of festive season. The export of wheat products too is on the rise from Gujarat based ports.
- 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

Wheat International Fundamental:

- Owing to bumper crops during last four years, Pakistan has become a wheat surplus and exporting country, as the traders have exported the wheat during recent months. "During the current year, the public sector wheat stocks were 9.30 million ton including current procurement of 5.79 million ton and last year carry-over stocks of 3.51 million ton.
- With rising international market and depleting exportable surplus in Russia, Ukraine, Australia supported by lower production prospects in the US and Argentina export opportunity for India has improved in the recent weeks. Iran and Indonesia are interested to import wheat from India on G to G deals on long term basis. Besides, private trades will continue to cater the needs of small foreign buyers. Overall situation on export front is expected to improve in the months ahead.
- 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.

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	0	920	0
Nov-12	-14	1,540	1,549	1,525	1,537	5,440	2,390	17,640	-140
Dec-12	-13	1,556	1,556	1,535	1,548	2,980	1,280	8,780	50
Jan-13	-14	1,551	1,569	1,545	1,548	560	240	1,180	-50

Spread	Oct-12	Nov-12	Dec-12	Jan-13
Spot	1			
Oct-12		-52		
Nov-12			11	
Dec-12				0

Stocks	Demat	In- Process	Total	FED
	20/10/2012	20/10/2012	20/10/2012	15/10/2012
Delhi	-	-	-	-
Itarsi	98	0	98	98
Kanpur	-	-	-	-
Kota	1034	0	1134	837

CBOT Wheat Futures: Date: 20.10.2012

Contract	+/-	Open	High	Low	Close
Dec-12	-	-	-	-	-
Mar-13	-	-	-	-	-
May-13	-	-	-	-	-
Jul-13	-	-	-	-	-
Sept-13	-	-	-	-	-

Wheat Daily prices and Arrival On 22.10.2012

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			10/22/2012	10/20/2012	
	Lawrence Road	Mill Quality	1590	1585	5
	Nazafgarh	Mill Delivery Loose	1525	1525	Unch
	Narella	Mill Delivery Loose	1525	1550	-25
Gujarat	Rajkot	Mill Delivery	-	1580	-
	Ahmedabad	Mill Delivery	-	1625	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	1425	-
	Indore	Mill Delievery	1600	1600	Unch
Rajasthan	Kota	Mill Quality	1450	1500	-50

U.P.	Kanpur	Mill Delivery	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
Haryana	Sirsa	Mill Delivery loose	1485	1480	5
	Palwal	Mill Quality Loose	-	1500	-
	Hodal	Mill Quality loose	-	-	-
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1580	1580	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1580	1580	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			10/22/2012	10/20/2012	
	Lawrence Road	Mill Quality	8000	6000	2000
	Nazafgarh	Mill Delivery Loose	300	300	Unch
	Narella	Mill Delivery Loose	400	300	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	600	700	-100
Punjab	Khanna	Mill Quality Loose	200	200	Unch
Haryana	Sirsa	Mill Quality Loose	200	600	-400
	Palwal	Mill Quality Loose	-	20	-
	Hodal	Mill Delivery loose	-	-	-
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	10/22/2012	10/20/2012	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

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