

Wheat Domestic Fundamentals:

- Wheat cash market continued to rule firm on the back of increased demand and unexpected delay in allocation for OMSS. The govt. is not in favour of hiking MSP for 2012-13 crop year.
- The cabinet committee on economic affairs (CCEA) approved increases of up to 20% in the MSP for five rabi crops for 2013-14 but decided to hold further consultations for wheat.
- A fresh cabinet note would be prepared for wheat. During the meeting, Pawar batted for farmers and sought a steep increase in the MSP, but Thomas opposed his proposal. The commission for agricultural costs and prices (CACP) had wanted the MSP for wheat frozen at last year's level of Rs1,285 a quintal considering the huge stock in the central pool.
- Rajasthan government has set the target of 2800 thousand hectares for Rabi Wheat 2012-13. Which is more than five year average sown area but lesser than actual area sown last year which was 2932 thousand hectares. It is expected that actual sown area this year might be more than targeted area due to higher prices and increased area coverage for Guar.
- Maharashtra too has increased the targeted area to 105 thousand hectares for 2012-13 Rabi wheat and till now sowing has been completed on 8482 hectares.

Wheat International Fundamental:

Wheat futures (CBOT and KCBT) are trading higher, supported by a lower-than-expected rating of the U.S. winter-wheat crop from government analysts. Chicago Board of Trade futures for December delivery are up 5 cents, or 0.6%, at \$8.69 1/2 a bushel. Kansas City Board of Trade December wheat is up 4 1/2 cents, or 0.5%, at \$9.08 1/2 a bushel.

Global wheat production is expected to decline to 658.73 MMT against 695.69 MMT estimated last year. Weather remains key factor to influence wheat prices. Further shortfall in any region may drive prices higher than current expectation.

Domestic market Outlook: We expect prices to rule steady to slightly weak on increasing possibility of higher allocation from govt.'s stock and unlikely hike in MSP.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-12	-7	1,580	1,595	1,565	1,590	7,170	1,100	14,080	-870
Dec-12	-4	1,582	1,608	1,588	1,602	9,660	2,480	14,440	1,800
Jan-13	-6	1,592	1,614	1,596	1,606	1,120	450	2,230	420
Feb-13	6	1,590	1,597	1,570	1,580	460	400	460	280

Spread	Nov-12	Dec-12	Jan-13	Feb-13
Spot	21			
Nov-12		13		
Dec-12			5	
Jan-13				-27

Stocks	Demat	In- Process	Total	FED
	01/11/2012	01/11/2012	01/11/2012	29/10/2012
Delhi	-	-	-	-
Itarsi	98	0	98	98
Kota	1034		1034	1034

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Kota	1034	0	1034	1034

CBOT Wheat Futures: Date: 01.11.2012

Contract	+/-	Open	High	Low	Close
Dec-12	4.00	865.75	877.50	863.50	868.75
Mar-13	4.00	880.25	891.50	878.25	883.25
May-13	4.00	886.00	897.00	884.00	890.25
Jul-13	3.75	872.25	882.25	870.50	877.25
Sept-13	3.25	883.25	890.50	879.50	885.50

Wheat Daily prices and Arrival On 02.10.2012

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11/2/2012	11/1/2012	
Delhi					
	Lawrence Road	Mill Quality	1650	1610	40
	Nazafgarh	Mill Delivery Loose	1540	1525	15
Gujarat	Narella	Mill Delivery Loose	1545	1520	25
	Rajkot	Mill Delivery	1640	1620	20
	Ahmedabad	Mill Delivery	1650	1650	Unch
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1675	1675	Unch
	Indore	Mill Delievery	1600	1600	Unch
Rajasthan	Kota	Mill Delivery	1560	1550	10
U.P.	Kanpur	Mill Delivery	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
Haryana	Sirsa	Mill Delivery loose	1530	1505	25
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Quality loose	-	-	-
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1640	1630	10
	Gandhidham(Rajasthan-Kota)	Mill Quality	1640	1630	10

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11/2/2012	11/1/2012	
Delhi					
	Lawrence Road	Mill Quality	8000	4000	4000
	Nazafgarh	Mill Delivery Loose	200	200	Unch
Gujarat	Narella	Mill Delivery Loose	150	400	-250
	Rajkot	Mill Delivery	-	-	-

	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Delivery	600	600	Unch
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	-	-	-

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