AGRIWATCH

# Wheat Daily Report
06th December 2012

## Wheat Domestic Fundamentals:

- Supply pressure from government stock is likely to continue and market is likely to trade steady to low. Millers have already fulfilled their immediate requirement through tenders in various states and it will continue to pressurize market in near term. However fresh enquiry from exporters as well as firm international prices may support cash wheat market at lower level. So any major dip is unlikely.
- Indian wheat can fill the gulf of demand and supply in international market and can help global prices to stabilize. In July government has approved 2 million tonnes of wheat export out of which around 1.83 million tonnes was exported and few days ago government has now allowed 2.5 million tonnes of wheat export. PSU's has got bids at par and over CBOT future price and this trend is expected in days ahead.
- In a latest development, the Government has rejected a top food grain pricing panel's (CACP) recommendation of keeping wheat MSP unchanged at previous year's level. The Government has asked the Commission for Agricultural Costs and Prices (CACP) to rework the minimum support price (MSP) of wheat for 2012-13 keeping in mind the rise of cost of inputs such as fertilizer and diesel.

## International Market Update:

- Ukraine has already exceeded the expected export of 5.5 million tonnes of wheat export. Traders now expect that Ukraine might export 5.6-5.7 million tonnes this year and traders will either switch for Maize or Barley.
- Indonesia the largest wheat importer in South East Asia has become the first nation to purchase more than 4 million tonnes of wheat in a year. According to analyst Australia has 70% market share in Indonesia.
- Australia has cut its expected wheat crop to 22.03 million tonnes as compared to previous estimate of 22.54 million tonnes due to dry weather. Although yield are better than expected. Few analysts believe that Australia crop might be around 21 million tonnes this year.
- International Grain Council (IGC) has raised the estimate for expected Wheat harvest area for 2013-14 at 223.3 million hectares as compared to 218.3 million hectares in 2012-13. This is largest world wheat area since 1998-99. This expected rise is due to higher domestic prices in major producing and exporting countries, as northern hemisphere was hit by severe draught this year. Higher domestic prices in Russia, Ukraine, EU and US might entice farmers to shift to wheat in 2013-14.

**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 |
| **Dec-12** | 11 | 1,598 | 1,617 | 1,592 | 1,611 | 5,410 | -2,140 | 6,620 | -3,960 |
| **Jan-13** | 12 | 1,585 | 1,600 | 1,582 | 1,599 | 6,400 | 630 | 14,500 | 860 |
| **Feb-13** | 10 | 1,573 | 1,587 | 1,573 | 1,587 | 670 | -30 | 3,990 | 200 |
| **Mar-13** | -5 | 1,482 | 1,493 | 1,481 | 1,483 | 70 | 40 | 310 | 30 |

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| Spread | Dec-12 | Jan-13 | Feb-13 | Mar-13 |
|---|---|---|---|---|
| Spot | -36 | | | |
| Dec-12 | | -12 | | |
| Jan-13 | | | -12 | |
| Feb-13 | | | | -104 |

| Stocks | Demat | In- Process | Total | FED |
|---|---|---|---|---|
| | 4/12/2012 | 4/12/2012 | 4/12/2012 | 3/12/2012 |
| Delhi | - | - | - | - |
| Itarsi | 10 | 0 | 10 | 10 |
| Kanpur | - | - | - | - |
| Kota | 3757 | 0 | 3757 | 3757 |

## CBOT Wheat Futures: Date: 4.12.2012

| Contract | Open | High | Low | Close | +/- |
|---|---|---|---|---|---|
| Dec-12 | 842.25 | 845.25 | 835 | 838.5 | -4.00 |
| Mar-13 | 861.5 | 865 | 851.5 | 856.5 | -4.00 |
| May-13 | 869 | 873 | 860 | 865.25 | -4.00 |
| Jul-13 | 868.5 | 872.5 | 861.25 | 866.25 | -3.00 |
| Sep-13 | 876.75 | 879.25 | 871.25 | 874.75 | -1.75 |

## Wheat Daily prices and Arrival On 05.12.2012

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|---|---|---|---|---|---|
| | | | 12/5/2012 | 12/4/2012 | |
| Delhi | Lawrence Road | Mill Quality | 1575 | 1575 | Unch |
| | Nazafgarh | Mill Delivery Loose | - | 1540 | - |
| | Narella | Mill Delivery Loose | - | 1530 | - |
| Gujarat | Rajkot | Mill Delivery | 1700 | 1700 | Unch |
| | Ahmedabad | Mill Delivery | 1720 | 1720 | Unch |
| M.P. | Bhopal | Mill Quality Loose (Lokwan Price) | 1700 | 1700 | Unch |
| | Indore | Mill Delievery | 1590 | 1570 | 20 |
| Rajasthan | Kota | Mill Delivery | 1540 | 1600 | -60 |
| U.P. | Kanpur | Mill Delivery | 1550 | 1550 | Unch |
| Punjab | Khanna | Mill Quality Loose | 1450 | 1470 | -20 |
| Haryana | Sirsa | Mill Delivery loose | 1540 | 1525 | 15 |
| | Palwal | Mill Quality Loose | - | - | - |
| | Hodal | Mill Quality loose | 1450 | - | - |
| | Panipat | Mill Quality Loose | - | - | - |
| | Karnal | Mill Quality | - | - | - |
| FOR | Kandla(Rajasthan-Kota) | Mill Quality | 1700 | 1700 | Unch |
| | Gandhidham(Rajasthan-Kota) | Mill Quality | 1700 | 1700 | Unch |

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| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|---|---|---|---|---|---|
| | | | 12/5/2012 | 12/4/2012 | |
| Delhi | Lawrence Road | Mill Quality | 3000 | 3000 | Unch |
| | Nazafgarh | Mill Delivery Loose | - | 150 | - |
| | Narella | Mill Delivery Loose | - | 300 | - |
| Gujarat | 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 | 700 | -100 |
| Punjab | Khanna | Mill Quality Loose | 700 | 500 | 200 |
| Haryana | Sirsa | Mill Quality Loose | 100 | 200 | -100 |
| | Palwal | Mill Quality Loose | - | - | - |
| | Hodal | Mill Delivery loose | 20 | - | - |
| | Panipat | Mill Quality Loose | - | - | - |
| | Karnal | Mill Delivery Loose | - | - | - |

| Wheat Products Delhi | 12/5/2012 | 12/4/2012 | 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) | 663 | 668 | -5 |
| Chokar (34 kg) | 467 | 467 | Unch |
| Chakki Atta (50kg) | 905 | 905 | Unch |
| Chakki Atta (50kg) Special | 910 | 910 | Unch |
| Chakki Atta (90kg) Superfine | 1700 | 1700 | Unch |
| Chakki Atta (50kg) Superfine | 930 | 930 | Unch |