

**Wheat Domestic Fundamentals:**

- Agriculture Minister Sarad Pawar is trying to ensure higher price for wheat farmers next season either by higher MSP or through bonus. The government had rejected the recommendation of the Commission for Agricultural Costs and Prices (CACP) to freeze the MSP of wheat at last year's level of Rs 1,285 per quintal. Resultantly, the CACP had revised its recommendation and suggested a bonus of Rs 40 per quintal subject to liquidation of 15 million tonnes of wheat by April 2013.
- Concerned ministry with some others M.P's think that MSP should be above Rs 1500 per quintal, considering the enhanced cost of wheat production. However, the states have given the input cost and government has to analyze it. Bihar government had given the input cost per quintal as Rs 770, Gujarat (Rs 724), Haryana (Rs 580), Himachal Pradesh (Rs 1430), Jharkhand (Rs 1719), West Bengal (Rs 1,450), Punjab (Rs 607) and Uttar Pradesh (Rs 673). We expect wheat farmers to receive some extra amount per quintal as bonus, May be in the range of Rs 50 to Rs 100 per quintal. However, it will increase the burden of subsidy.
- Wheat cash market is likely to trade steady to slightly weak on increased acreage, sluggish export demand and adequate supply from govt.'s stock.
- Sowing was on 22.74 million hectares till Friday, the highest in the corresponding period of the past five years, shows data from the department of agriculture. Year-on-year, the sowing was three per cent higher.
- Export bids have decreased too from \$328 to around \$324 per MT.

**International Market Update:**

- Argentina wheat export limit may be further reduced as crop production seems to be lower than previous estimate of 10.1 million tonnes. Traders and Research Analyst sees Argentina production at 9.5 million tonnes, due to regular rains which resulted in flooding of the fields.
- Bangladesh government got the lowest quote for wheat import from a domestic firm at USD 359.66/T CIF for 50, 000 MT. The price quote is higher than previous two tenders, which were USD 352.95/tonne CIF and \$344/tonne CIF.
- Russian domestic prices continue to rise due to fresh buying interest ahead of domestic holidays and festive season. Domestic EXW (ex-silo) prices in the European part of the Russia for third-grade and fourth-grade milling wheat rose 200 roubles and 225 roubles, respectively, to reach 10,900 roubles (USD 350) per tonne.

**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
<b>Dec-12</b>	-10	1,615	1,620	1,607	1,610	390	-320	750	-380
<b>Jan-13</b>	4	1,589	1,597	1,588	1,596	1,780	510	13,690	-680
<b>Feb-13</b>	2	1,570	1,575	1,568	1,572	540	-240	5,400	50
<b>Mar-13</b>	2	1,469	1,473	1,465	1,465	450	350	960	210

Spread	Dec-12	Jan-13	Feb-13	Mar-13
Spot	-25			
Dec-12		-14		
Jan-13			-24	
Feb-13				-107

Stocks	Demat	In- Process	Total	FED
	18/12/2012	18/12/2012	18/12/2012	17/12/2012
Delhi	-	-	-	-
Itarsi	10	0	10	10
Kanpur	-	-	-	-
Kota	3788	0	3788	3788

### CBOT Wheat Futures: Date: 18.12.2012

Contract	Open	High	Low	Close	+/-
Dec-12	808.00	814.25	801.50	811.00	+3.00
Mar-13	820.25	826.00	813.25	823.00	+3.00
May-13	826.25	832.25	819.50	829.00	+2.00
Jul-13	842.00	843.75	833.25	841.00	+1.25
Sep-13	855.00	858.00	844.50	853.00	-0.25

### Wheat Daily prices and Arrival On 19.12.2012

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12/19/2012	12/18/2012	
Delhi	Lawrence Road	Mill Quality	1580	1585	-5
	Nazafgarh	Mill Delivery Loose	-	1555	-
	Narella	Mill Delivery Loose	-	1525	-
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1710	1715	-5
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1600	1600	Unch
	Indore	Mill Delivery	1560	1580	-20
Rajasthan	Kota	Mill Delivery	1621	1621	Unch
U.P.	Kanpur	Mill Delivery	1545	1545	Unch
Punjab	Khanna	Mill Quality Loose	1450	1470	-20
Haryana	Sirsa	Mill Delivery loose	1540	1540	Unch
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Quality loose	1475	1480	-5
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	-	1725	-
	Gandhidham(Rajasthan-Kota)	Mill Quality	-	1725	-

Centre	Market	Variety	Arrivals (Bags/QtI)		Change
			12/19/2012	12/18/2012	
Delhi	Lawrence Road	Mill Quality	1700	1500	200
	Nazafgarh	Mill Delivery Loose	-	200	-
	Narella	Mill Delivery Loose	-	350	-
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	4000	3500	500
U.P.	Kanpur	Mill Delivery	600	700	-100
Punjab	Khanna	Mill Quality Loose	500	400	100
Haryana	Sirsa	Mill Quality Loose	500	200	300
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	50	100	-50
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	12/19/2012	12/18/2012	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)	674	667	7
Chokar (34 kg)	461	461	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

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