

## Wheat Domestic Fundamentals:

- Government favors hiking Wheat MSP as per latest update, the Union Cabinet is considering proposals to hike Minimum support price of wheat and export quota to ease pressure of bulging food grain stock. The agriculture ministry has proposed wheat MSP Rs1400/Q for 2013 as compared to Rs 1285/Q for 2012. If MSP is increased the sown area might increase as farmer will be getting more remuneration for their crop.
- According to Traders wheat crop might be 20% less in Gujarat and 80% less in Saurashtra region due to lower availability of water. Wheat area might shift to Chana and Mustard in Saurashtra region.
- 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.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Dec-12</b>	3	1,620	1,620	1,600	1,615	730	340	340	-410
<b>Jan-13</b>	0	1,593	1,599	1,592	1,595	1,930	150	13,340	-350
<b>Feb-13</b>	-3	1,572	1,574	1,568	1,568	780	240	5,580	180
<b>Mar-13</b>	-2	1,461	1,477	1,461	1,467	220	-230	990	30

Spread	Dec-12	Jan-13	Feb-13	Mar-13
Spot	-40			
Dec-12		-20		
Jan-13			-27	
Feb-13				-101

Stocks	Demat	In- Process	Total	FED
	19/12/2012	19/12/2012	19/12/2012	17/12/2012
Delhi	-	-	-	-
Itarsi	10	0	10	10
Kanpur	-	-	-	-
Kota	3788	0	3788	3788

## CBOT Wheat Futures: Date: 19.12.2012

Contract	Open	High	Low	Close	+/-
Dec-12	813	822.75	802	806	-6
Mar-13	824	833.75	813.5	817	-6
May-13	831.5	838	819	823	-6
Jul-13	838.75	848.25	830	834	-7
Sep-13	854.75	859.5	841	845.25	-7.75

## Wheat Daily prices and Arrival On 20.12.2012

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-12-2012	19-12-2012	
Delhi					
	Lawrence Road	Mill Quality	1575	1580	-5
	Nazafgarh	Mill Delivery Loose	1540	-	-
	Narella	Mill Delivery Loose	1520	-	-
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1715	1710	5
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	1600	-
	Indore	Mill Delievery	-	1560	-
Rajasthan	Kota	Mill Delivery	1631	1621	10
U.P.	Kanpur	Mill Delivery	1550	1545	5
Punjab	Khanna	Mill Quality Loose	1470	1450	20
Haryana	Sirsa	Mill Delivery loose	1540	1540	Unch
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Quality loose	1475	1475	Unch
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1725	1715	10
	Gandhidham(Rajasthan-Kota)	Mill Quality	1725	1715	10

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-12-2012	19-12-2012	
Delhi					
	Lawrence Road	Mill Quality	1500	1700	-200
	Nazafgarh	Mill Delivery Loose	150	-	-
	Narella	Mill Delivery Loose	450	-	-
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	2000	4000	-2000
U.P.	Kanpur	Mill Delivery	500	600	-100
Punjab	Khanna	Mill Quality Loose	400	500	-100
Haryana	Sirsa	Mill Quality Loose	200	500	-300
	Palwal	Mill Quality Loose	-	-	-
	Hodal	Mill Delivery loose	100	50	50
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	20-12-2012	19-12-2012	Change
Atta (50kg) Ordinary	910	885	25
Maida Grade 1 (90kg)	1878	1878	Unch
Maida Grade 1 (50KG)	1025	1025	Unch
Suji (50kg)	1100	1100	Unch
Chokar (50 kg)	674	674	Unch
Chokar (34 kg)	461	461	Unch
Chakki Atta (50kg)	930	905	25
Chakki Atta (50kg) Special	930	910	20
Chakki Atta (90kg) Superfine	1700	1700	Unch
Chakki Atta (50kg) Superfine	935	930	5

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