

## Wheat Domestic Fundamentals:

- **Wheat cash market traded slightly lower on expectation of higher** supply in the weeks ahead. Govt. may offer discount for wheat through open market sale scheme. Market expects a discount of Rs 100 per qtl. Govt. too is in urgency of offloading higher stock from central pool as new crop is hardly 3 months away from now.
- **On bearish outlook, supported by bumper crop prospects future market** too has seen a steep decline in last two days. Medium and bulk buyers are in wait and watch mood and are buying to fulfill their immediate requirements. Even exporters demand has decreased as global wheat prices are cooling down continuously.
- **The coverage area under wheat has crossed last year's level(286.38 against 281.80 lakh ha.)** till date(04.01.2013) and major increase has been seen in Uttar Pradesh(4 lakh ha.) M.P.(2.5 lakh ha.), Rajasthan(2.00 lakh ha.) and Bihar(2.00 ha.). Sowing in Bihar and Uttar Pradesh still continues and total area is likely to cross last year's level of 294 lakh ha. Lower area coverage in Gujarat and Maharashtra is likely to be compensated by higher area coverage in U.P. and M.P.
- **PEC has got the highest bid of USD 318/T from Glencore, which is lower than** the previous bid of USD 321/T. Bids have fallen due to sluggish demand in international market. Around 3.24 million Tonnes of wheat have been exported so far Since April 2012. Indian wheat has been bought aggressively by South-East Asian countries.

## International Market Update:

- **Global wheat market continued to rule under pressure on** declined export volume from US and buyers have been able to source wheat at lower price from other source than US. Continuous holidays in international market too kept buyers at bay. However, we expect fresh buying interest at lower level and market might recover in the medium term as weather issue in US, Black Sea Region continues to haunt wheat farmers abroad. Short term outlook is bearish.
- **IGC may revise wheat production estimate down** further and global wheat consumption for feed grade wheat is expected to increase with recent dip in wheat prices. However, lower price in India and Australia continue to pose a challenge to US feed grade wheat even in the next marketing season. Next IGC report is due and the picture will be clearer further with its release.

**Domestic market Outlook:** We expect cash and future market to trade lower in the short and medium term as supply is likely to increase from govt.'s stock with some discount offer(Rs 100 per qtl) for domestic market.

| NCDEX Wheat Futures |     |       |       |       |       |        |        |       |        |
|---------------------|-----|-------|-------|-------|-------|--------|--------|-------|--------|
| Contract            | +/- | Open  | High  | Low   | Close | Volume | Change | OI    | Change |
| <b>Jan-13</b>       | -44 | 1,568 | 1,568 | 1,527 | 1,530 | 4300   | 1,050  | 4700  | -1320  |
| <b>Feb-13</b>       | -33 | 1554  | 1,554 | 1,520 | 1,520 | 8320   | 6270   | 5100  | -2410  |
| <b>Mar-13</b>       | -19 | 1,455 | 1,465 | 1,450 | 1,450 | 2060   | 1440   | 740   | -545   |
| <b>Apr-13</b>       | -12 | 1,400 | 1,405 | 1,385 | 1390  | 1,010  | -250   | 2,100 | -350   |

| Spread | Jan-13 | Feb-13 | Mar-13 | Arp-13 |
|--------|--------|--------|--------|--------|
| Spot   | 3      |        |        |        |
| Jan-13 |        | -40    |        |        |
| Feb-13 |        |        | -50    |        |
| Mar-13 |        |        |        | -121   |

| Stocks | Demat      | In- Process | Total      | FED        |
|--------|------------|-------------|------------|------------|
|        | 04/01/2013 | 04/01/2013  | 04/01/2013 | 31/12/2012 |
| Delhi  | -          | -           | -          | -          |
| Itarsi | 10         | 0           | 10         | 10         |
| Kanpur | -          | -           | -          | -          |
| Kota   | 3788       | 0           | 3788       | 3788       |

## CBOT Wheat Futures: Date: 03.01.2013

| Contract | Open   | High   | Low    | Close  | +/-   |
|----------|--------|--------|--------|--------|-------|
| Dec-12   | 756.00 | 758.00 | 740.00 | 747.25 | -8.00 |
| Mar-13   | 765.00 | 768.00 | 749.00 | 756.75 | -8.00 |
| May-13   | 771.00 | 773.00 | 755.75 | 763.25 | -8.00 |
| Jul-13   | 785.00 | 785.00 | 768.50 | 774.75 | -9.00 |
| Sep-13   | 799.00 | 799.00 | 780.50 | 787.50 | -9.50 |

## Wheat Daily prices and Arrival On 05.01.2013

| Centre    | Market                     | Variety                           | Prices (Rs/Qtl) |          | Change |
|-----------|----------------------------|-----------------------------------|-----------------|----------|--------|
|           |                            |                                   | 1/5/2013        | 1/4/2013 |        |
| Delhi     | Lawrence Road              | Mill Quality                      | 1580            | 1575     | 5      |
|           | Nazafgarh                  | Mill Delivery Loose               | 1550            | 1550     | Unch   |
|           | Narella                    | Mill Delivery Loose               | 1535            | 1550     | -15    |
| Gujarat   | Rajkot                     | Mill Delivery                     | 1680            | 1680     | Unch   |
|           | Ahmedabad                  | Mill Delivery                     | 1700            | 1705     | -5     |
| M.P.      | Bhopal                     | Mill Quality Loose (Lokwan Price) | 1600            | 1600     | Unch   |
|           | Indore                     | Mill Delievery                    | 1600            | 1585     | 15     |
| Rajasthan | Kota                       | Mill Delivery                     | 1620            | 1630     | -10    |
| U.P.      | Kanpur                     | Mill Delivery                     | 1545            | 1540     | 5      |
| Punjab    | Khanna                     | Mill Quality Loose                | 1475            | 1470     | 5      |
| Haryana   | Sirsa                      | Mill Delivery loose               | 1535            | 1525     | 10     |
|           | Palwal                     | Mill Quality Loose                | -               | -        | -      |
|           | Hodal                      | Mill Quality loose                | 1470            | 1470     | Unch   |
|           | Panipat                    | Mill Quality Loose                | -               | -        | -      |
|           | Karnal                     | Mill Quality                      | -               | -        | -      |
| FOR       | Kandla(Rajasthan-Kota)     | Mill Quality                      | 1725            | 1725     | Unch   |
|           | Gandhidham(Rajasthan-Kota) | Mill Quality                      | 1725            | 1725     | Unch   |

| Centre | Market | Variety | Arrivals (Bags/Qtl) |          | Change |
|--------|--------|---------|---------------------|----------|--------|
|        |        |         | 1/5/2013            | 1/4/2013 |        |
| Delhi  |        |         |                     |          |        |

|           |               |                                   |      |      |       |
|-----------|---------------|-----------------------------------|------|------|-------|
|           | Lawrence Road | Mill Quality                      | 1000 | 2000 | -1000 |
|           | Nazafgarh     | Mill Delivery Loose               | 50   | 50   | Unch  |
|           | Narella       | Mill Delivery Loose               | 60   | 100  | -40   |
| Gujarat   | Rajkot        | Mill Delivery                     | -    | -    | -     |
|           | Ahmadabad     | Mill Delivery                     | -    | -    | -     |
| M.P.      | Bhopal        | Mill Quality Loose (Lokwan Price) | -    | -    | -     |
|           | Indore        | Mill Delivery                     | -    | -    | -     |
| Rajasthan | Kota          | Mill Quality                      | 2500 | 2000 | 500   |
| U.P.      | Kanpur        | Mill Delivery                     | 250  | 200  | 50    |
| Punjab    | Khanna        | Mill Quality Loose                | 400  | 300  | 100   |
| Haryana   | Sirsa         | Mill Quality Loose                | 500  | 100  | 400   |
|           | Palwal        | Mill Quality Loose                | -    | -    | -     |
|           | Hodal         | Mill Delivery loose               | 50   | 100  | -50   |
|           | Panipat       | Mill Quality Loose                | -    | -    | -     |
|           | Karnal        | Mill Delivery Loose               | -    | -    | -     |

| Wheat Products Delhi         | 1/5/2013 | 1/4/2013 | Change |
|------------------------------|----------|----------|--------|
| Atta (50kg) Ordinary         | 910      | 910      | Unch   |
| Maida Grade 1 (90kg)         | 1878     | 1878     | Unch   |
| Maida Grade 1 (50KG)         | 1025     | 1025     | Unch   |
| Suji (50kg)                  | 1100     | 1100     | Unch   |
| Chokar (50 kg)               | 695      | 705      | -10    |
| Chokar (34 kg)               | 473      | 479      | -6     |
| Chakki Atta (50kg)           | 930      | 930      | Unch   |
| Chakki Atta (50kg) Special   | 930      | 930      | Unch   |
| Chakki Atta (90kg) Superfine | 1700     | 1700     | Unch   |
| Chakki Atta (50kg) Superfine | 935      | 935      | Unch   |

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