

Wheat Domestic Fundamentals:

- Spot market traded almost steady as traders are in wait and watch mode for government release price.
- There are rumors in the market are there that railway freight might be increased by 12% and Wheat release price might be reduced by Rs 100-120/Q to reduce the stocks with government and to make the way for new crop, which as of now looks in good condition and according to farmers and traders production seems to be around 95 million tonnes.
- Some Flour millers at U.P are sourcing wheat from other states due to steep rise in wheat release price by Rs 170/Q, as it is cheaper to buy wheat from M.P rather than from government. According to Flour millers, some might have to proscribe production temporarily due to higher prices.
- Wheat Spot and Futures have risen as traders and speculators are anticipating firm market due to rise in export demand and increased demand from flour millers.
- Domestic prices are unlikely to dip in near future as Wheat prices at U.P will increase due to tender price raised by Rs 170/Q to Rs 1573/Q. Buyers may turn to Rajasthan for cheaper wheat as compared to U.P and M.P Wheat.
- According to traders, from Indore Machine cleaned wheat is going to Mumbai, Karnataka, Madras and Calcutta in 5, 10 and 30 Kg Bags. Local demand is sluggish and new crop is expected to arrive by 1st week of March.
- Mill Quality wheat is being bought from Bhopal Mandi by traders and millers of Ahmadabad, Hyderabad, Mumbai and other South Indian Cities. From Bhopal Delivered price to Hyderabad is Rs 1800-1870/Q, to Ahmadabad is Rs 1750-1760/Q, to Mumbai Rs 1730-1740/Q and local prices is Rs 1400/Q. Prices are likely to be stable this week. Stocks are available in plenty at Bhopal.

International Market Update:

- US Department of Agriculture data shows that its US wheat exports were 14.5 million tonnes from June 2012 to 15 January 2013 which is 12% less as compared to previous year for the same period. CBOT is expected to fall on lower exports however current crop condition might support prices at lower levels.
- In 2012-13 Pakistan is expected to produce 23.9 million tonnes of Wheat as compared to 2011-12 25 million tonnes and wheat sown area has increased by 2.5% over 2012. The decline is seen majorly due to late sowing of wheat consequently resulting in lower yield.
- Russian wheat output fell to 39 million tonnes in 2012 due to severe drought and after exporting 9.5 million tonnes of wheat, domestic prices has been surging. Russian government is thinking to waive 5% import duty on import of wheat. The key importer of wheat to Russia is Kazakhstan, as imports from this country are exempted of customs duties.

Domestic market Outlook: We expect wheat Cash and future market to trade steady to slightly firm on strong domestic and international demand.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-13	-6	1,528	1529	1518	1523	1950	-1,690	4330	-660
Mar-13	-4	1,457	1464	1455	1,463	1490	-220	7080	340
Apr-13	-2	1386	1389	1,386	1387	210	-150	8080	140
May-13	-2	1,390	1391	1,386	1389	330	150	3730	70

Spread	Feb-13	Mar-13	Apr-13	May-13
Spot	67			
Feb-13		-60		
Mar-13			-76	
Apr-13				2

Stocks	Demat	In- Process	Total	FED
	2/1/2013	2/1/2013	2/1/2013	1/28/2013
Delhi	-	-	-	-
Itarsi	508	0	508	508
Kanpur	-	-	-	-
Kota	3788	0	3788	3788

CBOT Wheat Futures: Date: 01.02.2013

Contract	Open	High	Low	Close	+/-
Mar-13	780.50	790.00	764.50	765.00	-14.50
May-13	788.00	797.75	772.50	773.25	-14.75
Jul-13	793.25	802.25	777.75	778.25	-15.00
Sep-13	802.00	810.00	789.00	789.25	-12.25
Dec-13	816.75	823.50	803.25	804.00	-11.00

Wheat Daily prices and Arrival

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2/2/2013	2/1/2013	
Delhi					
	Lawrence Road	Mill Delivery	1590	1595	-5
	Nazafgarh	Mill Quality Loose	1575	1550	25
	Narella	Mill Quality Loose	1550	1540	10
Gujarat	Rajkot	Mill Delivery	1660	1700	-40
	Ahmedabad	Mill Delivery	1725	1725	Unch
	Surat	Mill Delivery	1750	1750	Unch
M.P.	Bhopal	Lokwan	1650	1675	-25
	Indore	Mill Delivery	1625	1625	Unch
Rajasthan	Kota	Mill Delivery	1650	1640	10
U.P.	Kanpur	Mill Delivery	1565	1560	5
	Mathura	Mill Quality Loose	1525	1520	5
	Kosi	Mill Delivery	1700	1700	Unch
Punjab	Khanna	Mill Quality Loose	1505	1500	5
	(Ludhiana)Jagraon	Mill Delivery	1560	1560	Unch
Haryana	Sirsa	Mill Delivery loose	1530	1525	5
	Hodal	Mill Delivery	1595	1580	15
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
Tamil Nadu	Chennai	Mill Quality	1950	1850	100
	Madurai	Mill Quality	2000	1900	100
	Coimbatore	Mill Quality	2000	1900	100

Chattisgarh	Raipur	Mill Quality	1550	1550	Unch
Bihar	Begusarai	Mill Quality	1455	1455	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1725	1710	15
	Gandhidham(Rajasthan-Kota)	Mill Quality	1725	1710	15

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			2/2/2013	2/1/2013	
	Lawrence Road	Mill Delivery	2000	1500	500
	Nazafgarh	Mill Quality Loose	200	100	100
	Narella	Mill Quality Loose	300	300	Unch
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Lokwan	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	2000	4000	-2000
U.P.	Kanpur	Mill Delivery	600	500	100
Punjab	Khanna	Mill Quality Loose	200	200	Unch
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Delivery loose	80	100	-20
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	2/1/2013	1/31/2013	Change
Atta (50kg) Ordinary	915	915	Unch
Maida Grade 1 (90kg)	1887	1887	Unch
Maida Grade 1 (50KG)	1030	1030	Unch
Suji (50kg)	1105	1105	Unch
Chokar (50 kg)	675	675	Unch
Chokar (34 kg)	471	471	Unch
Chakki Atta (50kg)	935	935	Unch
Chakki Atta (50kg) Special	935	935	Unch
Chakki Atta (90kg) Superfine	1740	1740	Unch
Chakki Atta (50kg) Superfine	940	940	Unch

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.