

Wheat Domestic Fundamentals:

Wheat cash markets trade under pressure with increasing possibility of higher availability and better production prospects once again in major wheat producing regions. Major dip in cash market is expected when crop in Uttar Pradesh, Punjab, Haryana and Bihar will start hitting the market around mid April. Weak inner tone is being witnessed at major centers despite bonus in Rajasthan and Madhya Pradesh.

Reduced offtake in the market ahead of new crop and increasing availability from new and old crop in Rajasthan, Madhya Pradesh and Gujarat have dragged down wheat prices in the cash market. As per market feedback and current market fundamental cash market is likely to trade range-bound within a negative territory this week and prices may fall further next week.

Under current scenario private exporters would prefer to wait for Uttar Pradesh crop, hardly one month away from now. Private traders have been allowed to export wheat from govt.'s godowns at Rs 1480 per qtl. from last year's crop. They have to bear freight cost too from ware house to destination.

US, the biggest exporter, is offering wheat at \$284 per T on FoB basis while private exporters FoB quotes for old crop(at Rs 14800 per T) at Kandla port comes to \$292 to \$293 per T. Australia is offering at \$289 per T on FoB basis. Thus situation for private exporters is not favourable and they will wait for a dip in the local market. Arrivals from U.P., Punjab and Haryana may provide competitiveness in the global export market.

Government's subsidy bill for providing cheap rice and wheat to the poor and below poverty line (BPL) families via ration shops touched Rs 80,491 crore so far in the current fiscal. The subsidy on rice was Rs 36,540 crore as of March 6, 2013, while, that on wheat was Rs 43,951 crore. In the previous fiscal, subsidy on rice stood at Rs 49,041 crore and that on wheat was Rs 25,862 crore.

International Market Update:

CBOT wheat futures market continued to recover from the recent low and we expect recovery to continue a bit more in the short term. However, higher projection for global wheat production is likely to restrict one way uptrend momentum in the global wheat market. CBOT May contract might trade in the range of \$ 255 to \$ 265 per T.

Wheat rises due to fresh buying interest at current level. Big stake holders expect prices are unlikely to decrease from current level until (June) black sea region crop hits the market. Besides, exporters are not in a hurry to offer heavy discount despite ample marketable surplus. They know adverse weather in any region has potential to ignite prices. However, medium and long term outlook remains weak.

Russia risks losing global business in the 2013-14 season that starts July 1 unless the country's domestic prices fall at least 29 percent. If domestic prices don't decline to a level of \$250 a metric ton or lower in the season 2013-14, Russian wheat may not be competitive, Andrey Sizov Jr., managing director of SovEcon consultancy.

Outlook:Wheat cash market is likely to trade steady with bearish under tone likely to continue.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-13	0	1543	1545	1540	1544	400	-820	3610	-110
Apr-13	+1	1421	1428	1416	1424	2340	-300	13240	-30
May-13	-1	1423	1425	1415	1424	1220	30	11520	260
June-13	-1	1430	1436	1426	1431	120	-20	1730	-30

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Spread	Mar-13	Apr-13	May-13	Jun-13
Spot	41			
Mar-13		-116		
Apr-13			-3	
May-13				-11

Stocks	Demat	In- Process	Total	FED
	12/3/2013	12/3/2013	12/3/2013	11/3/2013
Delhi	-	-	-	-
Itarsi	508	0	508	508
Kanpur	-	-	-	-
Kota				

CBOT Wheat Futures: Date: 12.03.2013

Contract	Open	High	Low	Close	+/-
13-Mar	693.00	702.25	693.00	700.50	+6.50
13-May	699.25	706.50	695.75	703.50	+3.50
13-Jul	701.75	706.50	697.50	703.75	+2.00
13-Sep	708.75	712.50	704.00	710.50	+2.25
13-Dec	721.25	725.75	717.00	724.00	+2.50

Wheat Daily Prices and Arrivals on 13.3.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3/13/2013	3/12/2013	
Delhi					
	Lawrence Road	Mill Delivery	1580	1580	Unch
	Nazafgarh	Mill Quality Loose	-	1530	-
	Narella	Mill Quality Loose	-	1560	-
Gujarat	Rajkot	Mill Delivery	1575	1575	Unch
	Ahmedabad	Mill Delivery	1600	1600	Unch
	Surat	Mill Delivery	1625	1625	Unch
M.P.	Bhopal	Lokwan	1600	1575	25
	Indore	Mill Delivery	1510	1550	-40
Rajasthan	Kota	Mill Delivery	1510	1570	-60
U.P.	Kanpur	Mill Delivery	1510	1500	10
	Mathura	Mill Quality Loose	1465	1465	Unch
	Kosi	Mill Delivery	1700	1650	50
Punjab	Khanna	Mill Quality Loose	1475	1485	-10
	(Ludhiana)Jagraon	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1490	1490	Unch
	Hodal	Mill Delivery	1580	1570	10
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality	-	-	-
Tamil Nadu	Chennai	Mill Quality	1860	1850	10
	Madurai	Mill Quality	1910	1900	10

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	Coimbatore	Mill Quality	1910	1900	10
Chattisgarh	Raipur	Mill Quality	1550	1550	Unch
Bihar	Begusarai	Mill Quality	1650	1660	-10
FOR	Kandla(Rajasthan-Kota)	Mill Quality	-	-	-
	Gandhidham(Rajasthan-Kota)	Mill Quality	-	-	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			3/13/2013	3/12/2013	
	Lawrence Road	Mill Delivery	1500	2000	-500
	Nazafgarh	Mill Quality Loose	-	200	-
	Narella	Mill Quality Loose	-	100	-
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Lokwan	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	2000	2000	Unch
U.P.	Kanpur	Mill Delivery	400	500	-100
Punjab	Khanna	Mill Quality Loose	150	200	-50
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Delivery loose	30	50	-20
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Delivery Loose	-	-	-

Wheat Products Delhi	3/13/2013	3/12/2013	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)	635	640	-5
Chokar (34 kg)	434	437	-3
Chakki Atta (50kg)	935	935	Unch
Chakki Atta (50kg) Special	935	935	Unch
Chakki Atta (90kg) Superfine	1726	1740	-14
Chakki Atta (50kg) Superfine	940	940	Unch

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