

Wheat Daily Report

27th April 2013

Wheat Domestic Fundamentals:

- Private traders and Millers are aggressively buying wheat in Punjab and Haryana as mill delivered price is around Rs 1480-1500/Q, but if Wheat is purchased from U.P basic cost is Rs 1330/Q plus all taxes@ 8%, Gunny bags and Transportation (Extra) total cost comes around Rs 1580-1600/Q on Mill delivered basis, that's why Millers and Private traders are building inventories in Punjab and Haryana.
- Wheat procurement target in M.P are unlikely to be met. Firstly crop is estimated at 12-13 million tonnes as crop was affected by erratic weather and Secondly as exports are open, traders are buying aggressively and farmers too are holding some crop in anticipation of higher prices. So far 3.7 million tonnes has been procured in M.P and it seems 8-9 million tonnes can be procured in this season.
- According to traders and farmers Wheat production is likely to dip by 6 to 7 percent this year due to small grain size and lower yield. Farmers from Punjab, Haryana, Rajasthan, Uttar Pradesh, and Madhya Pradesh have reported lower yield varying from 5 to 8 percent. Abnormally lower temperature in Jan 1st week had adversely impacted the normal growth of the plant and consequently lower grain size. Traders are expecting 88 to 90 million T productions this year against 94.8 million T last year.
- Lower production is likely to affect procurement target of 40 million T this year as per trader's point of view. They say that government will not be able to procure more than 30-32 million Tonnes of wheat as private players are active and farmers are releasing (20-30 percent) lower stocks in anticipation of bonus and higher prices June onward.
- With lower quotes (\$260 to \$270 per T) in Black Sea Region, Indian wheat would lose its competitiveness and export is likely to stop May onward. Besides, government's strategy to sell with reserve price (considered higher against black sea region likely price in May June) from its stock will discourage exporters.

International Market Update:

- IGC has forecasted the world wheat ending stocks for 2013-14 at 181 million tonnes, which is 2 million tonnes more than 2012-13 due to lower feed wheat use. World wheat production is estimated at 680 million tonnes for 2013-14 which is higher than 2012-13 655 million tonnes since better yield and increased sown area is expected in Black sea region and European Union.
- World wheat trade is forecasted at 135 million tonnes by IGC which is 3 million tonnes lower year on year basis and global wheat consumption is expected to rise by 4 million tonnes year on year basis to 678 million tonnes.
- According to Bureau of Metrology, Southern Australia wheat growing belt will receive less than normal rainfall; however Western Australia and New South Wales region are expecting good rainfall.

Domestic market Outlook:

Domestic market remains Steady to firm in near term on fresh buying.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-13	-1	1,473	1,484	1,462	1,477	3,470	-3,200	11,140	-600
June-13	1	1,495	1,510	1,491	1,502	2,980	-6,140	20,250	790
July-13	-	-	-	-	-	-	-	-	-



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Spread	May-13	Jun-13	July-13	Aug-13
Spot	-22			
May-13		25		
June-13			-	
July-13				-

Stocks	Demat	In- Process	Total	FED
	23/4/2013	23/4/2013	23/4/2013	22/4/2013
Delhi	-	-	-	-
Itarsi	508	0	508	508
Kanpur	52	0	52	52
Kota	2934	0	2934	2934

CBOT Wheat Futures: Date: 25.04.2013

Contract	Open	High	Low	Close	+/-
May-13	691.25	705.50	690.50	701.25	+9.50
Jul-13	690.50	706.50	690.00	703.75	+11.75
Sep-13	698.50	714.25	698.25	711.25	+12.00
Dec-13	714.25	727.75	711.75	726.00	+12.50
Mar-14	724.75	739.75	724.75	738.75	+12.00
May-14	737.00	744.75	732.25	744.00	+11.75

(Fig. in Bushels/Cent)

Wheat Daily prices and Arrival

Centre	Market	Variety	Prices ((Rs/Qtl)	Change
			26-4-2013	25-4-2013	
Delhi	Lawrence Road	Mill Delivery	1455	1470	-15
Demi	Nazafgarh	Mill Quality Loose	1425	1435	-10
	Narella	Mill Quality Loose	1440	1435	5
	Rajkot	Mill Delivery	1560	-	•
Gujarat	Ahmedabad	Mill Delivery	1630	-	•
	Surat	Mill Delivery	1650	-	•
M.P.	Bhopal	Lokwan	1700	-	•
MI.F.	Indore	Mill Delivery	1530	1520	10
Rajasthan	Kota	Mill Delivery	1530	1530	Unch
	Kanpur	Mill Delivery	1460	1440	20
U.P.	Mathura	Mill Quality Loose	1320	1350	-30
	Kosi	Mill Delivery	1520	1520	Unch
Punjab	Khanna	Mill Quality Loose	1350	1355	-5
Pulljab	(Ludhiana)Jagraon	Mill Delivery	1480	1480	Unch
	Sirsa	Mill Delivery loose	1350	1350	Unch
Hawrens	Hodal	Mill Delivery	1465	1500	-35
Haryana	Panipat	Mill Quality Loose	1350	1350	Unch
	Karnal	Mill Quality Loose	1350	1350	Unch
Tamil Nadu	Chennai	Mill Quality	1850	1850	Unch
Tallili Nadu	Madurai	Mill Quality	1900	1900	Unch



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	Coimbatore	Mill Quality	1900	1900	Unch
Chattisgah	Raipur	Mill Quality	1525	1525	Unch
Bihar	Begusarai	Mill Quality	1365	1365	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1585	1585	Unch
FUK	Gandhidham(Rajasthan-Kota)	Mill Quality	1585	1585	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)	Change
			26-4-2013	25-4-2013	
Delhi	Lawrence Road	Mill Delivery	18000	17000	1000
Deini	Nazafgarh	Mill Quality Loose	1500	2000	-500
	Narella	Mill Quality Loose	15000	6000	9000
Gujarat	Rajkot	Mill Delivery	-	-	-
Gujarat	Ahmadabad	Mill Delivery		-	-
MD	Bhopal	Lokwan	-	-	-
M.P.	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	50000	50000	Unch
U.P.	Kanpur	Mill Delivery	500	400	100
Punjab	Khanna	Mill Quality Loose	100000	120000	-20000
	Sirsa	Mill Quality Loose	20000	20000	Unch
However	Hodal	Mill Quality Loose	2000	2000	Unch
Haryana	Panipat	Mill Quality Loose	60000	50000	10000
	Karnal	Mill Quality Loose	5000	10000	-5000

Wheat Products Delhi	26-4-2013	25-4-2013	Change
Atta (50kg) Ordinary	865	865	Unch
Maida Grade 1 (90kg)	1887	1887	Unch
Maida Grade 1 (50KG)	1030	1030	Unch
Suji (50kg)	1105	1105	Unch
Chokar (50 kg)	645	645	Unch
Chokar (34 kg)	399	399	Unch
Chakki Atta (50kg)	910	910	Unch
Chakki Atta (50kg) Special	935	935	Unch
Chakki Atta (90kg) Superfine	1726	1726	Unch
Chakki Atta (50kg) Superfine	940	940	Unch

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