

Wheat Daily Report 2<sup>nd</sup> May 2013

### Wheat Domestic Fundamentals:

- Increasing arrival from newly harvest crop is restricting uptrend despite considerable crop loss report. Despite higher pace of procurement this year as compared to last year, overall procurement is expected to dip as private traders are active in buying new crop.
- Rajasthan traders are buying lokwan-1 wheat at Rs 1500/Q, loose and stocking it. Rakes are being loaded from Rajasthan to various destinations in South India for Rs 1850-1900/Q at delivered basis. Yield loss has been reported in major wheat growing states varying from 5-15%.
- Centre has procured around 17.2 million tonnes of wheat so far in this season, which is almost 12.5% higher year on year basis. 7.5 million Tonnes have been procured in Punjab, 4.2 million tonnes in M.P and 4.7 million tonnes in Haryana. Sangrur district in Punjab has been leading wheat procurement district with 8.2 lakh tonnes wheat procured so far.
- 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.

### **International Market Update:**

- CBOT has risen recently as erratic weather may reduce the expected US wheat crop and fresh buying is supporting market.
- South Korean firm CJ CheilJedang Corp has bought 48,900 MT of US origins, several types' wheat from Bunge in two consignments to be shipped by 31 July. Around 15,200 MT of soft wheat has been bought at USD 291.52-295.54/T. CNF.
- Wheat planting has been delayed and a loss in yield is seen if Australia doesn't receive substantial rains in next two-three weeks. Planting has been delayed in New South Wales and Victoria states due to poor soil moisture.

### Domestic market Outlook:

Domestic market remains Steady to firm in near term.

| NCDEX Wheat Futures |     |      |      |     |       |        |        |    |        |
|---------------------|-----|------|------|-----|-------|--------|--------|----|--------|
| Contract            | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| May-13              | -   | -    | -    | -   | -     | -      | -      | -  | -      |
| June-13             | -   | -    | -    | -   | -     | -      | -      | -  | -      |
| July-13             | -   | -    | -    | -   | -     | -      | -      | -  | -      |



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| May-13 | Jun-13 | July-13           | Aug-13                                |
|--------|--------|-------------------|---------------------------------------|
| -      |        |                   |                                       |
|        | -      |                   |                                       |
|        |        | -                 |                                       |
|        |        |                   | -                                     |
|        | May-13 | May-13 Jun-13<br> | May-13Jun-13July-13IIIIIIIIIIIIIIIIII |

| Stocks | Demat     | In- Process | Total     | FED       |  |
|--------|-----------|-------------|-----------|-----------|--|
|        | 29/4/2013 | 29/4/2013   | 29/4/2013 | 29/4/2013 |  |
| Delhi  | -         | -           | -         | -         |  |
| Itarsi | 508       | 0           | 508       | 508       |  |
| Kanpur | 52        | 0           | 52        | 52        |  |
| Kota   | 2375      | 0           | 2375      | 2934      |  |

## CBOT Wheat Futures: Date: 30.04.2013

| Contract | Open                          | High   | Low    | Close  | +/-    |  |
|----------|-------------------------------|--------|--------|--------|--------|--|
| May-13   | 709.25                        | 727.50 | 697.25 | 721.75 | +12.00 |  |
| Jul-13   | 716.50                        | 736.75 | 705.00 | 731.00 | +14.50 |  |
| Sep-13   | 725.25                        | 745.00 | 714.50 | 740.25 | +15.00 |  |
| Dec-13   | 739.50                        | 758.75 | 729.50 | 753.75 | +14.00 |  |
| Mar-14   | 752.75                        | 771.25 | 742.75 | 766.75 | +14.00 |  |
| May-14   | 759.75                        | 770.50 | 748.25 | 770.00 | +12.75 |  |
|          | <u>(Fig. in Bushels/Cent)</u> |        |        |        |        |  |

# Wheat Daily prices and Arrival

| Centre       | Market            | Variety             | Prices   | Prices (Rs/Qtl) |      |
|--------------|-------------------|---------------------|----------|-----------------|------|
|              |                   |                     | 1-5-2013 | 30-4-2013       |      |
| Delhi        | Lawrence Road     | Mill Delivery       | 1460     | 1445            | 15   |
| Denn         | Nazafgarh         | Mill Quality Loose  | -        | 1425            | -    |
|              | Narella           | Mill Quality Loose  | -        | 1435            | -    |
|              | Rajkot            | Mill Delivery       | 1565     | 1560            | 5    |
| Gujarat      | Ahmedabad         | Mill Delivery       | 1615     | 1610            | 5    |
|              | Surat             | Mill Delivery       | 1625     | 1625            | Unch |
| M.P.         | Bhopal            | Lokwan              | 1600     | 1600            | Unch |
| <b>WI.F.</b> | Indore            | Mill Delivery       | 1520     | 1510            | 10   |
| Rajasthan    | Kota              | Mill Delivery       | 1550     | 1550            | Unch |
|              | Kanpur            | Mill Delivery       | 1450     | 1460            | -10  |
| U.P.         | Mathura           | Mill Quality Loose  | 1350     | 1350            | Unch |
|              | Kosi              | Mill Delivery       | 1520     | -               | -    |
| Punjab       | Khanna            | Mill Quality Loose  | 1370     | 1350            | 20   |
| Punjab       | (Ludhiana)Jagraon | Mill Delivery       | 1480     | 1480            | Unch |
|              | Sirsa             | Mill Delivery loose | 1350     | 1350            | Unch |
| II.          | Hodal             | Mill Delivery       | 1480     | 1480            | Unch |
| Haryana      | Panipat           | Mill Quality Loose  | 1350     | 1350            | Unch |
|              | Karnal            | Mill Quality Loose  | 1350     | 1350            | Unch |
| Tamil Nadu   | Chennai           | Mill Quality        | 1835     | 1850            | -15  |
|              | Madurai           | Mill Quality        | 1885     | 1900            | -15  |



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|            | Coimbatore                 | Mill Quality | 1885 | 1900 | -15  |
|------------|----------------------------|--------------|------|------|------|
| Chattisgah | Raipur                     | Mill Quality | 1525 | 1525 | Unch |
| Bihar      | Begusarai                  | Mill Quality | 1365 | 1365 | Unch |
| FOR        | Kandla(Rajasthan-Kota)     | Mill Quality | 1600 | 1600 | Unch |
| FUK        | Gandhidham(Rajasthan-Kota) | Mill Quality | 1600 | 1600 | Unch |

| Centre       | Market        | Variety            | Arrivals | (Bags/Qtl) | Change |
|--------------|---------------|--------------------|----------|------------|--------|
|              |               |                    | 1-5-2013 | 30-4-2013  |        |
| Delhi        | Lawrence Road | Mill Delivery      | 7000     | 8000       | -1000  |
| Denn         | Nazafgarh     | Mill Quality Loose | -        | 500        | -      |
|              | Narella       | Mill Quality Loose | -        | 3500       | -      |
| Gujarat      | Rajkot        | Mill Delivery      | -        | -          | -      |
| Gujarat      | Ahmadabad     | Mill Delivery      | -        | -          | -      |
| M.P.         | Bhopal        | Lokwan             | -        | -          | -      |
| <b>MI.F.</b> | Indore        | Mill Delivery      | -        | -          | -      |
| Rajasthan    | Kota          | Mill Quality       | 40000    | 40000      | Unch   |
| <b>U.P.</b>  | Kanpur        | Mill Delivery      | 500      | 800        | -300   |
| Punjab       | Khanna        | Mill Quality Loose | 50000    | 50000      | Unch   |
|              | Sirsa         | Mill Quality Loose | 15000    | 20000      | -5000  |
| Homiono      | Hodal         | Mill Quality Loose | 2000     | 2000       | Unch   |
| Haryana      | Panipat       | Mill Quality Loose | 25000    | 30000      | -5000  |
|              | Karnal        | Mill Quality Loose | 10000    | 10000      | Unch   |

| Wheat Products Delhi         | 1-5-2013 | 30-4-2013 | 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)               | 396      | 399       | -3     |
| 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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