

## Wheat Daily Report 4<sup>th</sup> May 2013

### Wheat Domestic Fundamentals:

- As per Trade sources exporters have slowed wheat purchase pace due to uncertainty over domestic wheat prices and government policies amid bearish outlook in medium term.
- 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 and farmers too are holding more stocks(Around 10%) this year. Wheat Procured by government agencies in this season in U.P is around 220,000 tonnes which is much lower than last year's 510,000 tonnes at the same time.
- 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%.
- 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.

### **International Market Update:**

- Australian eastern grain belt is suffering from dry weather condition and planting has been delayed. Australian wheat prices are firm as farmers are reluctant to sell wheat at current price as they anticipate higher prices. Australia needs significant rains to evade yield loss.
- Corn Prices are expected to rise in International Future market as only 6% corn has been planted against 40% last year during the same period. Demand for Feed Wheat might rise, pushing wheat prices north.
- Pakistan may miss the target of 26 million tonnes wheat production as it is expected to produce around 25 million tonnes this year.
- Jordan State buying agency has bought 50,000 MT wheat from Glencore of any origin to be delivered by Late August at USD 302.50/T, CNF. Other rejected bids were Bunge USD 311/T, AL Ghurair 318.50/T, Toepher 319.85 and Olam 318.80/T.

### 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	0	1,487	1,488	1,474	1,484	2,460	920	8,920	-1,000
June-13	-1	1,510	1,514	1,507	1,510	1,750	-2,620	22,970	240
July-13	-	-	-	-	-	-	-	-	-



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May-13	Jun-13	July-13	Aug-13
-14			
	26		
		-	
			-
		-14	-14

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Stocks	Demat	In- Process	Total	FED	
	2/5/2013	2/5/2013	2/5/2013	30/4/2013	
Delhi	-	445	445	-	
Itarsi	508	0	508	508	
Kanpur	52	0	52	52	
Kota	2375	0	2375	2375	

### CBOT Wheat Futures: Date: 02.05.2013

Contract	Open	High	Low	Close	+/-	
May-13	710.50	718.75	709.25	718.75	+8.25	
Jul-13	720.50	730.00	717.75	728.50	+7.50	
Sep-13	730.00	739.75	727.00	738.00	+7.50	
Dec-13	744.00	753.75	741.50	752.25	+7.25	
Mar-14	758.00	766.00	755.00	765.50	+7.25	
May-14	763.00	768.75	761.00	768.75	+7.00	
	(Fig. in Bushels/Cent)					

# Wheat Daily prices and Arrival

Centre	Market	Variety	Prices (	(Rs/Qtl)	Change
			3-5-2013	2-5-2013	
Delhi	Lawrence Road	Mill Delivery	1470	1460	10
Denn	Nazafgarh	Mill Quality Loose	1450	1450	Unch
	Narella	Mill Quality Loose	1435	1420	15
	Rajkot	Mill Delivery	1560	1550	10
Gujarat	Ahmedabad	Mill Delivery	1610	1600	10
	Surat	Mill Delivery	1625	1620	5
M.P.	Bhopal	Lokwan	1620	1625	-5
<b>M.F.</b>	Indore	Mill Delivery	1520	1520	Unch
Rajasthan	Kota	Mill Delivery	1445	-	-
	Kanpur	Mill Delivery	1460	1460	Unch
<b>U.P.</b>	Mathura	Mill Quality Loose	1390	1370	20
	Kosi	Mill Delivery	1520	1520	Unch
Duniah	Khanna	Mill Quality Loose	1350	1350	Unch
Punjab	(Ludhiana)Jagraon	Mill Delivery	1480	1480	Unch
	Sirsa	Mill Delivery loose	1385	1355	30
Howard	Hodal	Mill Delivery	1500	1480	20
Haryana	Panipat	Mill Quality Loose	1350	1350	Unch
	Karnal	Mill Quality Loose	1350	1350	Unch
Tamil Nadu	Chennai	Mill Quality	1845	-	-
	Madurai	Mill Quality	1895	-	-



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	Coimbatore	Mill Quality	1895	-	-
Chattisgah	Raipur	Mill Quality	1525	1525	Unch
Bihar	Begusarai	Mill Quality	1365	1365	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1600	-	-
FUK	Gandhidham(Rajasthan-Kota)	Mill Quality	1600	_	-

Centre	Market	Variety	Arrivals (	Bags/Qtl)	Change
			3-5-2013	2-5-2013	
Delhi	Lawrence Road	Mill Delivery	8000	10000	-2000
Denn	Nazafgarh	Mill Quality Loose	1000	500	500
	Narella	Mill Quality Loose	3000	4000	-1000
Gujarat	Rajkot	Mill Delivery	-	-	-
Gujarat	Ahmadabad	Mill Delivery	-	-	-
МР	Bhopal	Lokwan	-	-	-
<b>M.P.</b>	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	-	-	-
U.P.	Kanpur	Mill Delivery	800	900	-100
Punjab	Khanna	Mill Quality Loose	35000	40000	-5000
	Sirsa	Mill Quality Loose	10000	10000	Unch
Hamana	Hodal	Mill Quality Loose	2000	2000	Unch
Haryana	Panipat	Mill Quality Loose	10000	20000	-10000
	Karnal	Mill Quality Loose	3000	2000	1000

Wheat Products Delhi	3-5-2013	2-5-2013	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	396	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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