

Wheat Daily Report

23rd May 2013

Wheat Domestic Fundamentals:

- In Rajasthan, M.P and Gujarat farmers wheat sale to government is almost over as traders are buying wheat at Rs 1500-1600/Q. Exports purchase are low, that to honor previous contracts.
- Local wheat supply is almost dry in Gujarat due to lower production this year and Tukri wheat is reaching Gujarat at Rs 1600-1800/Q from Rajasthan and Lok-1 is reaching Gujarat from M.P at Rs 1750-1850/Q.
- Domestic wheat market is trading firm due demand from millers and traders. Arrivals has been declining as farmers are expecting better prices and lower production estimate of around 88.2 million tonnes as compared to previous year's 94.88 million tonnes.
- Revised wheat procurement target of 33 million tonnes by government is unlikely to be met according to traders and analyst as Punjab and Haryana has procured around 16 million tonnes against the combined target of 23 million tonnes. Other key contributor U.P, Bihar and Rajasthan are also lagging behind. It is expected that this year's procurement will be around 28.18 million tonnes as compared to 38.1 million tonnes last year as per Agriwatch estimate. However supply will remain comfortable owing to higher carryover stocks.
- As on 14th May 2013, government agencies have procured 24.1 million tonnes wheat as compared to previous year's 29.29 million tonnes. Procurement is lagging behind in all major producing states except M.P as state government has announced bonus over MSP. Analyst and traders are now forecasting government's procurement in this season around 29 million tonnes.
- Wheat inflation fell to 13.89% in April from 19.87% in March, which is lowest in last 8 months. WPI has fallen from 206.3 in March to 204.2 in April as new crop arrival dragged wheat towards south.

International Market Update:

- In 2012-13 Canada is expected to export 16% more at 4.15 Million tonnes Durum wheat than 2011-12. Durum wheat seeded area in 2013-14 is expected to increase by 9% due to lower carryover stocks, higher prices and lower seeded area in pulses.
- Canada's all wheat (except Durum) export are expected to increase by 4% over previous year to 14.5 million tonnes and for 2012-13 all wheat (except Durum) area is expected to increase by 13% over previous year due to good domestic prices, low carry in and farmers shifting from canola to wheat.
- Due to higher domestic prices, government tax rebate policy and expected favorable weather condition may entice farmers to plant more wheat and area may increase by 40% from last year to 4.5 million hectares. USDA is estimating Argentina's wheat production at 13 million tonnes in 2013-14.

Domestic market Outlook:

Domestic market remains Steady to firm owing to strong demand and lower arrivals.

| | NCDEX Wheat Futures | | | | | | | | |
|----------|---------------------|-------|-------|-------|-------|--------|--------|--------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| June-13 | 14 | 1,569 | 1,597 | 1,566 | 1,578 | 9,520 | 6,260 | 22,360 | -2,110 |
| July-13 | - | - | - | - | - | - | - | - | - |
| Aug-13 | - | - | - | - | - | - | - | - | - |



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| Spread | Jun-13 | July-13 | Aug-13 | Sept-13 |
|---------|--------|---------|--------|---------|
| Spot | -28 | | | |
| June-13 | | - | | |
| July-13 | | | - | |
| Aug-13 | | | | - |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|----------------|-----------|-----------|
| | 20/5/2013 | 20/5/2013 | 20/5/2013 | 20/5/2013 |
| Delhi | 5098 | 99 | 5197 | 4656 |
| Itarsi | 508 | 0 | 508 | 508 |
| Kanpur | 52 | 0 | 52 | 52 |
| Kota | 201 | 0 | 201 | 201 |

Wheat (CBOT) On 21.5.2013 (Bushels/Cent)

| Contract | Open | High | Low | Close | +/- |
|---------------|--------|--------|--------|-------|-------|
| Jul-13 | 684.25 | 684.5 | 674 | 680.5 | -4.75 |
| Sep-13 | 692.25 | 692.75 | 681.5 | 688 | -4.75 |
| Dec-13 | 707 | 708.5 | 697 | 703.5 | -5 |
| Mar-14 | 721.25 | 725 | 713.5 | 720 | -5 |
| May-14 | 722.75 | 732 | 722.25 | 727 | -5 |
| Jul-14 | 731.75 | 735 | 725 | 730.5 | -4.5 |

Wheat Daily Prices and Arrivals on 22.5.2013

| Centre | Market | Variety | Prices | (Rs/Qtl) | Change |
|-------------|-------------------|--|-----------------------------|-----------|--------|
| | | | 22-5-2013 | 21-5-2013 | |
| Delhi | Lawrence Road | Mill Delivery | 1550 | 1525 | 25 |
| Dellii | Narella | Mill Quality Loose | - | 1510 | - |
| | Nazafgarh | Mill Quality Loose | - | 1500 | - |
| | Rajkot | Mill Delivery | 1650 | 1650 | Unch |
| Gujarat | Ahmedabad | Mill Delivery | 1650 | 1670 | -20 |
| | Surat | Mill Delivery | 1550 - - - 1650 | 1700 | -30 |
| M.P. | Bhopal | Lokwan | 1725 | 1700 | 25 |
| M.P. | Indore | Mill Delivery | 1650 | 1600 | 50 |
| Rajasthan | Kota | Mill Quality Loose | 1575 | 1560 | 15 |
| Kajastilali | Rota | | 1650 | Unch | |
| | Kanpur | Mill Delivery | 1500 | 1475 | 25 |
| ** D | Mathura | Mill Quality Loose | 1460 | 1430 | 30 |
| U.P. | Kosi | Mill Delivery | 1600 | 1600 | Unch |
| | Hathras | Mill Delivery 1650 Mill Delivery 1650 Mill Delivery 1670 Lokwan 1725 Mill Delivery 1650 Mill Quality Loose 1575 Mill Delivery 1650 Mill Delivery 1500 Mill Quality Loose 1460 Mill Delivery 1550 Mill Quality Loose 1360 Mill Delivery 1460 Mill Delivery loose 1365 Mill Delivery 1500 Mill Quality Loose 1350 Mill Quality Loose - Mill Quality 1950 | 1550 | Unch | |
| D '1 | Khanna | Mill Quality Loose | 1360 | 1360 | Unch |
| Punjab | (Ludhiana)Jagraon | Mill Delivery | 1460 | 1460 | Unch |
| | Sirsa | Mill Delivery loose | 1365 | 1365 | Unch |
| TT | Hodal | Mill Delivery | 1500 | 1500 | Unch |
| Haryana | Panipat | Mill Quality Loose | 1350 | 1350 | Unch |
| | Karnal | Mill Quality Loose | - | 1350 | - |
| Tamil Nadu | Chennai | Mill Quality | 1950 | 1900 | 50 |
| raiiii Nadu | Madurai | Mill Quality | 2000 | 1950 | 50 |



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| | Coimbatore | Mill Quality | 2000 | 1950 | 50 |
|------------|----------------------------|--------------|------|------|------|
| Chattisgah | Raipur | Mill Quality | 1525 | 1525 | Unch |
| Bihar | Begusarai | Mill Quality | 1365 | 1365 | Unch |
| FOR | Kandla(Rajasthan-Kota) | Mill Quality | 1700 | 1650 | 50 |
| FUK | Gandhidham(Rajasthan-Kota) | Mill Quality | 1700 | 1650 | 50 |

| Centre | Market | Variety | Arrivals (| (Bags/Qtl) | Change |
|-----------|---------------|--------------------|------------|------------|--------|
| | | | 22-5-2013 | 21-5-2013 | |
| Delhi | Lawrence Road | Mill Delivery | 6000 | 11000 | -5000 |
| Deini | Narella | Mill Quality Loose | - | 1400 | - |
| | Nazafgarh | Mill Quality Loose | - | 500 | - |
| Cariomat | Rajkot | Mill Delivery | - | _ | - |
| Gujarat | Ahmadabad | Mill Delivery | - | - | - |
| MD | Bhopal | Lokwan | - | - | - |
| M.P. | Indore | Mill Delivery | - | - | - |
| Rajasthan | Kota | Mill Quality | 15000 | 15000 | Unch |
| | Kanpur | Mill Delivery | 600 | 700 | -100 |
| U.P. | Mathura | Mill Quality Loose | 1500 | 1000 | 500 |
| | Hathras | Mill Quality Loose | 1000 | 1300 | -300 |
| Punjab | Khanna | Mill Quality Loose | 4000 | 7000 | -3000 |
| | Sirsa | Mill Quality Loose | 1000 | 1000 | Unch |
| TTorrando | Hodal | Mill Quality Loose | 500 | 500 | Unch |
| Haryana | Panipat | Mill Quality Loose | - | - | - |
| | Karnal | Mill Quality Loose | - | 1000 | _ |

| Wheat Products Delhi | 22-5-2013 | 21-5-2013 | 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) | 402 | 402 | 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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