

## **Wheat Daily Report**

29th May 2013

#### **Wheat Domestic Fundamentals:**

- Domestic wheat market is likely to trade firm on improved demand from local buyers. Lower crop size too has added support to market firm tone. Medium term outlook in domestic depends on export quotes in global market and govt.'s price policy in the second quarter for export and domestic market.
- Farmers in M.P, Rajasthan are not holding back stock as they are receiving attractive price (Rs 1570-1600 per qtl). However; Farmers in other states like Uttar Pradesh, Bihar, Punjab and Haryana are releasing restricted quantity.
- As medium term international outlook for wheat remains bearish (\$270/per T August delivery, Black Sea region),opportunity for Indian wheat export remains bleak at this point of time as domestic market is unexpectedly higher(almost \$32 per T including internal freight)
- More wheat supply is required in the second quarter from govt.'s stock to control the ongoing uptrend. Price fixation and allocation would remain key factors for domestic market.
- Wheat key spot market has been trading firm owing to strong demand from millers and traders. Prices are expected to trade firm ahead. We are expecting wheat production this year to be around 88.19 million tonnes due to fall in yield in Haryana, Rajasthan, Madhya Pradesh and Punjab.
- STC received highest bid of USD 304.5/T for 60,000 MT wheat from promising International Ltd to be exported from Mundra Port. In another tender STC received highest bid of USD 302/MT for 40,000 MT from Louis Dreyfus to be shipped from Chennai port. PEC issued two tenders of 40,000 MT each and it received the highest bid of USD 305/MT from AL Ghuriar and USD 301/T for another tender to be shipped from east coast.
- As on 21st May, 247.77 lakh tonnes of wheat has been procured by government agencies in current procurement season as compared to 319.7 lakh tonnes same time last year, which is 22.5% less than previous year.

### **International Market Update:**

- China has bought 6, 50,000 MT of US wheat at USD 320-328/MT CIF, July- September delivery. This is the second largest purchase made by china, bringing year total purchase at 1.5 million tonnes for the year.
- Spring wheat sowing has been lagging behind in Russia due to severe cold. For the current spring wheat sowing season so far 42% of the area or 5.4 million hectares has been sown and which is 2.2 million hectares less than last year at the same time.
- Algeria state buying agency OAIC, has bought 400,000 MT milling wheat of optional origin for USD 284-285/T, CNF for August delivery.

### 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             | -7  | 1,590 | 1,591 | 1,580 | 1,586 | 3,400  | -860   | 20,170 | -1,110 |
| July-13             | -   | -     | -     | -     | -     | -      | -      | -      | -      |
| Aug-13              | -   | -     | -     | -     | -     | -      | -      | -      | -      |



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| Spread  | Jun-13 | July-13 | Aug-13 | Sept-13 |
|---------|--------|---------|--------|---------|
| Spot    | -9     |         |        |         |
| June-13 |        | -       |        |         |
| July-13 |        |         | -      |         |
| Aug-13  |        |         |        | -       |

| Stocks | Demat     | In-<br>Process | Total     | FED       |
|--------|-----------|----------------|-----------|-----------|
|        | 27/5/2013 | 27/5/2013      | 27/5/2013 | 27/5/2013 |
| Delhi  | 5394      | 810            | 6204      | 5394      |
| Itarsi | 508       | 0              | 508       | 508       |
| Kanpur | 52        | 0              | 52        | 52        |
| Kota   | 201       | 0              | 201       | 201       |

### Wheat (CBOT) On 24.5.2013 (Bushels/Cent)

| Contract      | Open   | High   | Low    | Close  | +/-   |
|---------------|--------|--------|--------|--------|-------|
| Jul-13        | 704.00 | 707.50 | 696.25 | 697.50 | -5.75 |
| Sep-13        | 710.00 | 714.25 | 703.00 | 704.50 | -5.25 |
| Dec-13        | 723.50 | 728.00 | 716.50 | 718.00 | -5.00 |
| Mar-14        | 738.00 | 742.00 | 730.75 | 732.25 | -5.25 |
| <b>May-14</b> | 745.75 | 747.25 | 738.50 | 739.50 | -4.75 |
| Jul-14        | 746.75 | 747.75 | 739.00 | 741.75 | -5.00 |

## Wheat Daily Prices and Arrivals on 28.5.2013

| Centre       | Market            | Variety             | Prices (             | Rs/Qtl)   | Change |
|--------------|-------------------|---------------------|----------------------|-----------|--------|
|              |                   |                     | 28-5-2013            | 27-5-2013 |        |
| Delhi        | Lawrence Road     | Mill Delivery       | 1577                 | 1585      | -8     |
| Denn         | Narella           | Mill Quality Loose  | 1545                 | 1580      | -35    |
|              | Nazafgarh         | Mill Quality Loose  | 1525                 | 1550      | -25    |
|              | Rajkot            | Mill Delivery       | 1700                 | 1700      | Unch   |
| Gujarat      | Ahmedabad         | Mill Delivery       | 1725                 | 1735      | -10    |
|              | Surat             | Mill Delivery       | 1745                 | 1760      | -15    |
| M.P.         | Bhopal            | Lokwan              | 1730                 | 1750      | -20    |
| MI.P.        | Indore            | Mill Delivery       | 1625                 | 1625      | Unch   |
| Dojosthon    | Kota              | Mill Quality Loose  | 1600                 | 1600      | Unch   |
| Rajasthan    | Kota              | Mill Delivery       | 1600<br>1660<br>1650 | 1660      | Unch   |
|              | Kanpur            | Mill Delivery       | 1650                 | 1625      | 25     |
| *** **       | Mathura           | Mill Quality Loose  | 1450                 | 1500      | -50    |
| U.P.         | Kosi              | Mill Delivery       | 1625                 | 1650      | -25    |
|              | Hathras           | Mill Delivery       | 1570                 | 1550      | 20     |
| D 1.         | Khanna            | Mill Quality Loose  | 1375                 | 1375      | Unch   |
| Punjab       | (Ludhiana)Jagraon | Mill Delivery       | 1510                 | 1510      | Unch   |
|              | Sirsa             | Mill Delivery loose | 1450                 | 1375      | 75     |
| TT           | Hodal             | Mill Delivery       | 1490                 | 1590      | -100   |
| Haryana      | Panipat           | Mill Quality Loose  | 1350                 | 1350      | Unch   |
|              | Karnal            | Mill Quality Loose  | -                    |           | -      |
| Tamil Nadu   | Chennai           | Mill Quality        | 1925                 | 1925      | Unch   |
| raiiiii wadu | Madurai           | Mill Quality        | 1975                 | 1975      | Unch   |



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|            | Coimbatore                 | Mill Quality | 1975 | 1975 | Unch |
|------------|----------------------------|--------------|------|------|------|
| Chattisgah | Raipur                     | Mill Quality | 1525 | 1525 | Unch |
| Bihar      | Begusarai                  | Mill Quality | 1365 | 1365 | Unch |
| FOR        | Kandla(Rajasthan-Kota)     | Mill Quality | 1650 | 1650 | Unch |
| FUK        | Gandhidham(Rajasthan-Kota) | Mill Quality | 1650 | 1650 | Unch |

| Centre    | Market        | Variety            | Arrivals ( | Bags/Qtl) | Change |
|-----------|---------------|--------------------|------------|-----------|--------|
|           |               |                    | 28-5-2013  | 27-5-2013 |        |
| Dalla:    | Lawrence Road | Mill Delivery      | 7000       | 12000     | -5000  |
| Delhi     | Narella       | Mill Quality Loose | 3000       | 3000      | Unch   |
|           | Nazafgarh     | Mill Quality Loose | 150        | 200       | -50    |
| Caria and | 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      | 900        | 800       | 100    |
| U.P.      | Mathura       | Mill Quality Loose | 1000       | 1500      | -500   |
|           | Hathras       | Mill Quality Loose | 1200       | 600       | 600    |
| Punjab    | Khanna        | Mill Quality Loose | 4000       | 4000      | Unch   |
|           | Sirsa         | Mill Quality Loose | 500        | 500       | Unch   |
|           | Hodal         | Mill Quality Loose | 300        | 200       | 100    |
| Haryana   | Panipat       | Mill Quality Loose | -          | -         | -      |
|           | Karnal        | Mill Quality Loose | -          | -         | -      |

| Wheat Products Delhi         | 28.5.2013 | 27.5.2013 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary         | 890       | 890       | 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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