

Wheat Daily Report

3rd June 2013

Wheat Domestic Fundamentals:

- As on 29th May government has procured around 249.86 Lakh tonnes against 339.67 lakh tonnes last year at the same time. Arrivals are low and active buying from private trader may restrict government procurement to 25.3-25.8 million tonnes, however supply side will remain comfortable due to huge carryover stocks.
- Production is estimated at 88.2 million tonnes by Agriwatch this year due to fall in yield in Haryana, Punjab, Rajasthan, U.P and Madhya Pradesh. 5 year average yield indicates production at 85.94 million tonnes. Market rumors 80-82 million tonnes production seems unlikely.
- Madhya Pradesh wheat is demanded in Gujarat, Rajasthan and South Indian Market. Loose wheat prices have fallen to Rs 1570/Q from 1630/Q from last week owing to slack demand from exporters.
- Ongoing discussion of lower crop has changed the inner tone of the market and medium term outlook depends on government pricing and allocation policy. To contain the rising prices government needs to allocate more quantity at discounted price, so inflation can be checked which is generally seen rising June onwards.
- Export is likely to decrease due to unviable prices in domestic market. Private traders are not interest in buying old crop wheat at Rs 1484/Q; hence Indian exporters are unable to offer wheat below USD 300/T FOB. US Wheat FOB is ruling around USD 280/T and Black Sea region FOB is ruling at USD 270-280/Q, posing stiff competition to Indian wheat in International market.

International Market Update:

- As per latest IGC report global wheat production in 2013-14 is expected to increase to 682 million tonnes from previous forecast of 680 million tonnes owing to higher area coverage and better yield. However concerns remain over production in key producing countries but ample supply is expected in vear ahead.
- Global wheat trade is expected to rise by 2 million tonnes to 137 million tonnes over previous estimate but it is 2 million tonnes lower than previous year due to lower demand for feed wheat as maize supply is likely to increase.
- Global wheat ending stocks at 180 million tonnes are expected to increase marginally over last year despite of increase in production as increase in consumption may hinder stock building.
- Russian domestic wheat crop is expected around 50 million tonnes this year which is around 12 million tonnes from last year. Exports are expected to rise to 15-16 million tonnes from last year's 11 million tonnes. Government may buy3-4 million tonnes wheat to replenish its depleted wheat stock.

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	-11	1,604	1,614	1,595	1,597	2,450	-1,230	18,460	-210
July-13	-	-	-	-	-	-	-	-	-
Aug-13	-	-	-	-	-	-	-	-	-



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Spread	Jun-13	July-13	Aug-13	Sept-13
Spot	-7			
June-13		-		
July-13			-	
Aug-13				-

Stocks	Demat	In- Process	Total	FED
	31/5/2013	31/5/2013	31/5/2013	27/5/2013
Delhi	6009	1624	7633	5394
Itarsi	508	0	508	508
Kanpur	52	0	52	52
Kota	201	0	201	201

Wheat (CBOT) On 31.5.2013 (Bushels/Cent)

Contract	Open	High	Low	Close	+/-
Jul-13	697.25	707.50	692.50	705.50	+6.75
Sep-13	706.75	717.50	702.25	715.50	+7.50
Dec-13	722.50	731.75	717.00	730.00	+6.50
Mar-14	734.25	746.50	732.75	744.50	+5.75
May-14	742.50	756.00	742.50	754.00	+6.00
Jul-14	750.00	761.00	746.50	759.25	+7.00

Wheat Daily Prices and Arrivals on 01.6.2013

Centre	Market	Variety	Prices	(Rs/Qtl)	Change
			1-6-2013	31-5-2013	
Delhi	Lawrence Road	Mill Delivery	1590	1575	15
Denn	Narella	Mill Quality Loose	1530	1525	5
	Nazafgarh	Mill Quality Loose	1525	1540	-15
	Rajkot	Mill Delivery	1700	1700	Unch
Gujarat	Ahmedabad	Mill Delivery	1735	1725	10
	Surat	Mill Delivery	1755	1745	10
M.P.	Bhopal	Lokwan	1800	1800	Unch
MI.F.	Indore	Mill Delivery	1700 1700 1735 1725 1755 1745	-15	
Rajasthan	Kota	Mill Quality Loose	-	1560	-
Kajastilali	Rota	Mill Delivery	-	590 1575 530 1525 525 1540 700 1700 735 1725 755 1745 800 1800 605 1620 - 1560 - 1650 550 1600 490 1490 600 1550 - 1380 490 1490 1415 1415 550 1580	-
	Kanpur	Mill Delivery	1550	1600	-50
TY D	Mathura	Mill Quality Loose	1490	1490	Unch
U.P.	Kosi	Mill Delivery	1600	1600	Unch
	Hathras	Mill Delivery	1540	1550	-10
Describe	Khanna	Mill Quality Loose	-	1380	_
Punjab	(Ludhiana)Jagraon	Mill Delivery	1490	1490	Unch
	Sirsa	Mill Delivery loose	1415	1415	Unch
Uamiona	Hodal	Mill Delivery	1550	1580	-30
Haryana	Panipat	Mill Quality Loose	1350	1350	Unch
	Karnal	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	_	1900	-



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	Madurai	Mill Quality	-	1950	-
	Coimbatore	Mill Quality	-	1950	-
Chattisgah	Raipur	Mill Quality	1525	1525	Unch
Bihar	Begusarai	Mill Quality	1365	1365	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	-	1625	-
FUK	Gandhidham(Rajasthan-Kota)	Mill Quality	-	1625	-

Centre	Market	Variety	Arrivals	(Bags/Qtl)	Change
			1-6-2013	31-5-2013	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
Denn	Narella	Mill Quality Loose	3000	5500	-2500
	Nazafgarh	Mill Quality Loose	400	400	Unch
Gujarat	Rajkot	Mill Delivery	-	-	-
Gujarat	Ahmadabad	Mill Delivery	-	-	-
MD	Bhopal	Lokwan	-	-	-
M.P.	Indore	Mill Delivery	-	31-5-2013 7000 5500	-
Rajasthan	Kota	Mill Quality	-	15000	-
	Kanpur	Mill Delivery	800	700	100
U.P.	Mathura	Mill Quality Loose	1000	1000	Unch
	Hathras	Mill Quality Loose	800	600	200
Punjab	Khanna	Mill Quality Loose	-	4000	-
	Sirsa	Mill Quality Loose	200	1500	-1300
Howene	Hodal	Mill Quality Loose	400	200	200
Haryana	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality Loose	_	-	-

Wheat Products Delhi	1-6-2013	31-5-2013	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)	417	417	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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