

## **Wheat Daily Report**

4th June 2013

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

- Arrivals have decreased drastically in Haryana and Punjab in recent times, pushing prices north to Rs 1390-1460/Q, loose quality. Lower arrivals have raised concern over production this year.
- As on 29<sup>th</sup> 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:**

- Recent rains in South East Australian wheat and South district of Russia has eased the dry condition
  and provided much needed moisture to the soil and standing crop respectively. In Australia Farmers
  have sown wheat in dry conditions earlier raising concern over yield but now condition is expected to
  improve.
- Malaysian company has bought 12.5% protein, 6,000 MT of wheat for USD 300/T CNF, of Ukraine origin for August/September Delivery. It is expected that Asian buyer may test new suppliers from Black Sea region due to GMO problems in US wheat.
- Black sea region wheat export can rise by 31-32% this year over previous year as Russia, Ukraine and Kazakhstan based on improvements in the yield outlook after an end to cold and dry weather in some key wheat growing regions. As per reports Russia can export 16-17 million tonnes wheat this year as compared to 11 million tonnes last year and Ukraine can export 8.5-9.5 million tonnes this against 7 million tonnes previous season.

### **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	3	1595	1602	1589	1601	6,990	4,540	16,450	-2,010
July-13	-	-	-	-	-	-	-	-	-
Aug-13	-	-	-	-	-	-	-	-	-



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Spread	Jun-13	July-13	Aug-13	Sept-13
Spot	-16			
June-13		-		
July-13			-	
Aug-13				-

Stocks	Demat	In- Process	Total	FED
	01/6/2013	01/6/2013	01/6/2013	27/5/2013
Delhi	6407	1524	7931	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 03.6.2013

Centre	Market	Variety	Prices (	(Rs/Qtl)	Change
			3-6-2013	1-6-2013	
Delhi	Lawrence Road	Mill Delivery	1585	1590	-5
	Narella	Mill Quality Loose	1560	1530	30
	Nazafgarh	Mill Quality Loose	1530	<b>1-6-2013</b> 1590	5
	Rajkot	Mill Delivery	1700	1590 1530 1525 1700 1735 1755 1800 1605 1550 1490 1600 1540 - 1495 1415 1550 1350 - 1525	Unch
Gujarat	Ahmedabad	Mill Delivery	1740	1735	5
	Surat	Mill Delivery	1760	1-6-2013  1590 1530 1525 1700 1735 1755 1800 1605 1550 1490 1600 1540 - 1490 1415 1550 1350 - 1550	5
M.P.	Bhopal	Lokwan	1750	1800	-50
MI.P.	Indore	Mill Delivery	1625	1-6-2013  1590 1530 1525 1700 1735 1755 1800 1605 1550 1490 1600 1540 - 1490 1415 1550 1350 - 1550	20
Rajasthan	Kota	Mill Quality Loose	1530	-	-
Kajastiiaii		Mill Delivery	1620	_	-
	Kanpur	Mill Delivery	1550	1550	Unch
T. D	Mathura	Mill Quality Loose	1505	1-6-2013  1590 1530 1525 1700 1735 1755 1800 1605 1550 1490 1600 1540 - 1490 1415 1550 1350 - 1525	15
U.P.	Kosi	Mill Delivery	1600		Unch
	Hathras	Mill Delivery	1525		-15
Drawiak	Khanna	Mill Quality Loose	1390	-	-
Punjab –	(Ludhiana)Jagraon	Mill Delivery	1500	1490	10
	Sirsa	Mill Delivery loose	1425	1415	10
	Hodal	Mill Delivery	1580	1-6-2013  1590 1530 1525 1700 1735 1755 1800 1605 1550 1490 1600 1540 - 1490 1415 1550 1350 - 1525	30
Haryana	Panipat	Mill Quality Loose	1350	1350	Unch
	Karnal	Mill Quality Loose	1400	-	-
	Bhiwani	Mill Quality Loose	1525	1525	Unch
Tamil Nadu	Chennai	Mill Quality	1950	-	-



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	Madurai	Mill Quality	2000	-	-
	Coimbatore	Mill Quality	2000	-	-
Chattisgah	Raipur	Mill Quality	1525	1525	Unch
Bihar	Begusarai	Mill Quality	1365	1365	Unch
EOD	Kandla(Rajasthan-Kota)	Mill Quality	1700	-	-
FOR	Gandhidham(Rajasthan-Kota)	Mill Quality	1700	-	-

Centre	Market	Variety	Arrivals (	Bags/Qtl)	Change
			3-6-2013	1-6-2013	
Delhi	Lawrence Road	Mill Delivery	9000	7000	2000
Demi	Narella	Mill Quality Loose	1200	3000	-1800
	Nazafgarh	Mill Quality Loose	100	400	-300
Gujarat –	Rajkot	Mill Delivery	-	-	-
Gujarat	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Lokwan	-	-	-
MI.F.	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	13000	-	-
	Kanpur	Mill Delivery	800	800	Unch
U.P.	Mathura	Mill Quality Loose	1500	1000	500
U.P.	Kosi	Mill Quality Loose	400	800	-400
	Hathras	Mill Quality Loose	400	800	-400
Punjab	Khanna	Mill Quality Loose	3000	-	-
	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	200	400	-200
Haryana	Panipat	Mill Quality Loose	-	800 - 200	-
	Karnal	Mill Quality Loose	-	-	-
	Bhiwani	Mill Quality Loose	300	350	-50
Wheat Pro	oducts Delhi	3-6-2013	1-6-201	3 Cl	nange
Atta (50kg) Ordin	ary	890	890	τ	J <b>nch</b>
Maida Grade 1 (90	okg)	1887	1887	τ	J <b>nch</b>
Maida Grade 1 (50	oKG)	1030	1030	τ	J <b>nch</b>
Suji (50kg)		1105	1105	τ	J <b>nch</b>
Chokar (50 kg)		645	645	J	J <b>nch</b>
Chokar (34 kg)		417	417	J	J <b>nch</b>
Chakki Atta (50kg	<u> </u>	910	910	J	J <b>nch</b>
Chakki Atta (50kg	-	935	935	J	J <b>nch</b>
Chakki Atta (90kg	g) Superfine	1726	1726	J	J <b>nch</b>
Chakki Atta (50kg	s) Superfine	940	940	J	J <b>nch</b>

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