

Wheat Daily Report 5th 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 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:

- Genetically modified wheat discovery in US and continued probe over GM wheat there may have serious implication on US export sales. Final result of this probe is expected tomorrow. Japan, the biggest buyer of US wheat has suspended some US import. Even South Korea is in the process of testing US wheat and is expected to remain sideline till the final result comes.
- Unconfirmed sources say that 5 percent wheat in US might be GM wheat. If it is confirmed, it could have a wider impact on world market. Quality conscious buyers like Japan, China and European Union may turn to other countries. However, Indian export opportunity in South Korea and some middle-east countries would increase.
- However, one thing is very clear now that export sales from US is bound to decrease and buyers will remain hesitant till the final result, expected in two to three weeks from now. Situation seems favorable for India right now and we should have a close eye on emerging scenario.

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	-10	1591	1601	1590	1591	3,570	1,120	14,620	-3,840
July-13	-	-	-	-	-	-	-	-	-
Aug-13	-	-	-	-	-	-	-	-	-



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Spread	Jun-13	July-13	Aug-13	Sept-13
Spot	-6			
June-13		-		
July-13			-	
Aug-13				-

Stocks	Demat	In- Process	Total	FED
	03/6/2013	03/6/2013	03/6/2013	3/6/2013
Delhi	7006	1372	8378	7006
Itarsi	508	0	508	508
Kanpur	52	0	52	52
Kota	201	0	201	201

Wheat (CBOT) On 3.6.2013 (Bushels/Cent)

Contract	Open	High	Low	Close	+/-
Jul-13	708.50	714.50	692.50	708.75	+3.25
Sep-13	716.25	724.00	702.75	718.50	+3.00
Dec-13	733.75	738.25	717.25	732.75	+2.75
Mar-14	747.50	752.75	732.75	747.75	+3.25
May-14	759.75	762.50	748.50	758.50	+4.50
Jul-14	760.00	769.00	748.75	764.75	+5.50

Wheat Daily Prices and Arrivals on 04.6.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-6-2013	3-6-2013	
Delhi	Lawrence Road	Mill Delivery	1585	1585	Unch
Denn	Narella	Mill Quality Loose	1560	1560	Unch
	Nazafgarh	Mill Quality Loose	1530	1530	Unch
	Rajkot	Mill Delivery	1700	1700	Unch
Gujarat	Ahmedabad	Mill Delivery	1740	1740	Unch
	Surat	Mill Delivery	1760	1760	Unch
M.P. –	Bhopal	Lokwan	1800	1750	50
WI.F .	Indore	Mill Delivery	1615	1625	-10
Rajasthan	Kota	Mill Quality Loose	1550	1530	20
Najastilaii		Mill Delivery	1615	1620	-5
	Kanpur	Mill Delivery	1575	1550	25
U.D.	Mathura	Mill Quality Loose	1500	1505	-5
U.P. —	Kosi	Mill Delivery	1650	1600	50
	Hathras	Mill Delivery	1525	1525	Unch
Dereish	Khanna	Mill Quality Loose	1350	1390	-40
Punjab —	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
	Sirsa	Mill Delivery loose	1425	1425	Unch
	Hodal	Mill Delivery	1580	1580	Unch
Haryana	Panipat	Mill Quality Loose	1350	1350	Unch
Γ	Karnal	Mill Quality Loose	1400	1400	Unch
	Bhiwani	Mill Quality Loose	1525	1525	Unch
Tamil Nadu	Chennai	Mill Quality	1950	1950	Unch



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	0			0	
	Madurai	Mill Quality	2000	2000	Unch
	Coimbatore	Mill Quality	2000	2000	Unch
Chattisgah	Raipur	Mill Quality	1525	1525	Unch
Bihar	Begusarai	Mill Quality	1365	1365	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1750	1700	50
FUK	Gandhidham(Rajasthan-Kota)	Mill Quality	1750	1700	50

Centre	Market	Variety	Arrivals (Bags/Qtl)	Change	
			4-6-2013	3-6-2013		
Delhi	Lawrence Road	Mill Delivery	8000	9000	-1000	
Deini	Narella	Mill Quality Loose	3000	1200	1800	
	Nazafgarh	Mill Quality Loose	200	100	100	
Cuionat	Rajkot	Mill Delivery	-	-	-	
Gujarat —	Ahmadabad	Mill Delivery	-	-	-	
M.P. —	Bhopal	Lokwan	-	-	-	
M.P.	Indore	Mill Delivery	-	-	-	
Rajasthan	Kota	Mill Quality	12000	13000	-1000	
	Kanpur	Mill Delivery	400	800	-400	
UD	Mathura	Mill Quality Loose	1500	1500	Unch	
U.P. —	Kosi	Mill Quality Loose	2000	2000	Unch	
	Hathras	Mill Quality Loose	800	400	400	
Punjab	Khanna	Mill Quality Loose	3000	3000	Unch	
	Sirsa	Mill Quality Loose	200	200	Unch	
	Hodal	Mill Quality Loose	200	200	Unch	
Haryana	Panipat	Mill Quality Loose	-	-	-	
	Karnal	Mill Quality Loose	-	-	-	
	Bhiwani	Mill Quality Loose	600	300	300	
Wheat Pro	oducts Delhi	4-6-2013	3-6-201	3 Cl	hange	
Atta (50kg) Ordina	ary	890	890	τ	Unch	
Maida Grade 1 (90	kg)	1887	1887	τ	Unch	
Maida Grade 1 (50	KG)	1030	1030	τ	Unch	
Suji (50kg)		1105	1105	τ	Unch	
Chokar (50 kg)		645	645	τ	Unch	
Chokar (34 kg)		417	417	τ	Unch	
Chakki Atta (50kg))	910	910	Ţ	Unch	
Chakki Atta (50kg)) Special	935	935	J	J nch	
Chakki Atta (90kg) Superfine	1726	1726	τ	J nch	
Chakki Atta (50kg)) Superfine	940	940		J nch	

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