

Wheat Domestic Fundamentals:

- Wheat cash market traded almost unchanged at previous level in clueless market. However, festive demand for wheat products may restrict market to dip further. Supply side remains ample and local demands are being taken care of by private trades.
- As export opportunity for India is diminishing fast due to widening price gap, we expect easy supply side to continue in the local market. There seems no wheat export opportunity from India as of now due to higher prices despite of weak rupee. Ukraine and Russia is exporting wheat at USD 240-244/MT, FOB Black sea region, US is selling wheat at USD 260-270/MT.
- Wheat inflation has marginally decreased in July to 13.42% year on year basis from 13.83% in May 2013. Though WPI has increased marginally 206.2 in June from 205 in May 2013. Inflation has increased marginally by 0.58% month on month basis.
- Govt. may offer discount through OMSS sale in lean season when wheat price starts firming up. There is no urgency to offer any discount at this point of time as wheat remains under pressure on the back of negligible export demand.
- Tough competition from black Sea Regions would not allow public sector undertakings to clinch wheat deals immediately despite CCEA approval of 2 million T wheat export from FCI godowns during the current fiscal year at a floor price of \$300 per T.
- However, some export may take place for neighboring countries like B,desh,Sri Lanka and Nepal due to geographical proximity. But export in these countries would not influence domestic price due to lower quantity.
- According to IBIS, India wheat export is estimated at 3.03 lakh tonnes in July month as compared to 5.91 lakh tonnes. Fall in export is due to cheaper wheat available from Russia, Ukraine and US. UAE was the top market for Indian wheat in July with 70,331 MT followed by Indonesia with 69,892 MT.

International Market Update:

- USDA has increased the global wheat production to 705.38 million tonnes from 697.80 million tonnes due to expected better output in Spain, France, Germany, Kazakhstan, Russia, Ukraine and Australia. Production is increased by 2.8 million tons for EU, 2.5 million tons for Kazakhstan and 2 million tonnes for Ukraine.
- Global wheat trade has been increased by around 4 million tonnes to 154.01 million tonnes from 149.13 million tonnes. World wheat ending stocks has been reduced slightly increased to 172.99 million tonnes as consumption is likely to increase by 6.9 million tonnes.
- Pakistan is considering easing import restrictions to combat wheat shortfall in 2013.A proposal to reduce six per cent withholding tax on wheat import and simplification of procedural requirements.

Domestic market Outlook: Cash wheat market is likely to trade weak.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Aug-13	0	1601	1601	1600	1600	40	-3080	1370	-230
Sep-13	-1	1592	1592	1584	1588	2120	500	4900	-1370
Oct-13	3	1589	1597	1589	1593	1300	1290	4130	-210

Spread	Aug-13	Sept-13	Oct-13	Nov-13
Spot	-30			
Aug-13		-18		
Sept-13			-5	
Oct-13				-

Stocks	Demat	In-Process	Total	FED
	16.8.2013	16.8.2013	16.8.2013	12.8.2013
Delhi	15325	0	15325	15845
Itarsi	-	-	-	-
Kanpur	52	0	52	52
Kota				

Wheat (CBOT) On 16.08.2013(Bushels/Cent)

Contract	Open	High	Low	Close	+/-
Sep-13	637.50	641.25	626.75	631.00	-6.50
Dec-13	649.75	653.50	638.25	643.50	-6.00
Mar-14	662.00	665.00	650.50	656.25	-5.50
May-14	668.25	669.25	657.25	663.25	-6.00
Jul-14	667.00	667.75	656.75	660.50	-6.75
Sept-14	674.75	675.25	666.00	669.75	-5.00

Wheat Daily Prices and Arrivals on 16.08.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-8-2013	16-8-2013	
Delhi	Lawrence Road	Mill Delivery	1570	1575	-5
	Narella	Mill Quality Loose	1525	1520	5
	Nazafgarh	Mill Quality Loose	1505	1505	Unch
Gujarat	Rajkot	Mill Delivery	1640	1640	Unch
	Ahmedabad	Mill Delivery	1700	1700	Unch
	Surat	Mill Delivery	1730	1730	Unch
M.P.	Bhopal	Lokwan	1625	1625	Unch
	Indore	Mill Delivery	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1500	1490	10
		Mill Delivery	1520	1500	20
U.P.	Kanpur	Mill Delivery	1540	1550	-10
	Mathura	Mill Quality Loose	1442	1450	-8
	Kosi	Mill Quality Loose	1450	1460	-10
	Hathras	Mill Quality Loose	1410	1415	-5
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
	(Ludhiana)Jagraon	Mill Delivery	1480	1480	Unch
Haryana	Sirsa	Mill Delivery loose	1450	-	-
	Hodal	Mill Delivery	1570	1550	20
	Karnal	Mill Quality Loose	1485	1485	Unch
	Bhiwani	Mill Quality Loose	1490	1490	Unch
Tamil Nadu	Chennai	Mill Quality	1875	1865	10
	Madurai	Mill Quality	1925	1915	10

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	Coimbatore	Mill Quality	1925	1915	10
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1710	1710	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1710	1710	Unch
Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			17-8-2013	16-8-2013	
	Lawrence Road	Mill Delivery	9000	14000	-5000
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	150	200	-50
Gujarat	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
M.P.	Bhopal	Lokwan	-	-	-
	Indore	Mill Delivery	-	-	-
Rajasthan	Kota	Mill Quality	8000	14000	-6000
U.P.	Kanpur	Mill Delivery	-	-	-
	Mathura	Mill Quality Loose	500	600	-100
	Kosi	Mill Quality Loose	500	1000	-500
	Hathras	Mill Quality Loose	300	450	-150
Punjab	Khanna	Mill Quality Loose	200	300	-100
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality Loose	-	-	-
	Bhiwani	Mill Quality Loose	100	400	-300
Wheat Products Delhi		17-8-2013	16-8-2013	Change	
Atta (50kg) Ordinary		940	940	Unch	
Maida Grade 1 (90kg)		2111	2111	Unch	
Maida Grade 1 (50KG)		1155	1155	Unch	
Suji (50kg)		1180	1180	Unch	
Chokar (50 kg)		593	593	Unch	
Chokar (34 kg)		372	372	Unch	
Chakki Atta (50kg)		985	985	Unch	
Chakki Atta (50kg) Special		985	985	Unch	
Chakki Atta (90kg) Superfine		1816	1816	Unch	
Chakki Atta (50kg) Superfine		990	990	Unch	

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