

## Wheat Domestic Fundamentals:

- Wheat cash market trades under pressure as medium and bulk buyers are not buying aggressively at this point of time. They are fulfilling only their immediate requirements on easy supply side outlook. Some improvement on price front is expected at the end of September when stock in private hands starts declining and buyers turn towards govt.'s stock.
- Wheat from Bihar through private channel is being loaded to kolkatta at Rs 1560/1580 per qtl. Millers in West Bengal are sourcing wheat from Bihar due to cheaper and ample availability. Traders in M.P has revealed that wheat demand is coming from local market and Maharashtra, traders are selling wheat at Rs 1700-1720/Q, delivered basis to millers in Maharashtra, whereas south Indian millers are buying wheat from U.P, Rajasthan majorly at Rs 1800-1825/Q, delivered basis.
- According to wheat scientist Ronnie Coffman, Indian does not face Ug99 rust disease risk at present. Ug99 is black wheat stem rust fungus which can destroy 70% wheat yield.
- 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.
- There is a general talk in market that government may offer some discount for selling wheat through OMSS as elections are round the corner. Government would try to curb inflation within limit. Despite, lower production, overall sentiment in the market remains bearish.
- As supply side from private trades/stockiest/farmers is adequate, off take from FCI godowns is expected to remain sluggish in the month of August.

## International Market Update:

- China has recently bought Australian standard white wheat at USD 330/MT, CNF for December delivery. China might buy 4 million tonnes of Australian wheat in next marketing year beginning from 1<sup>st</sup> Oct overtaking Indonesia as largest Australian wheat importer.
- Western Australia wheat production is likely to increase by 20-25% in 2013-14 owing to recent rains which might increase the yield this year. ABARES is expecting Australia's wheat production near 25.399 million tonnes against 22.077 million tonnes previous year.
- Canada may harvest the highest wheat crop in more than 2 decades, around 30.6 million tonnes as compared to 27.1 million tonnes in 2012-13. Jordan has bought 50000MT wheat of optional origin for USD 287.50/MT, CNF and another 50000 MT at USD 288.50/MT, CNF from Nibulon to be shipped till March 2014.

## Domestic market Outlook: Domestic market is likely to trade range bound.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Sep-13	-1	1582	1590	1583	1584	2,230	1,650	6,250	1,390
Oct-13	-2	1592	1592	1589	1590	490	290	3,820	-10
Nov-13	-2	1603	1603	1603	1603	10	-20	210	0

Spread	Sept-13	Oct-13	Nov-13	Dec-13
Spot	-4			
Sept-13		10		
Oct-13			12	
Nov-13				-

Stocks	Demat	In-Process	Total	FED
	<b>22.8.2013</b>	<b>22.8.2013</b>	<b>22.8.2013</b>	<b>19.8.2013</b>
Delhi	15345	0	15345	15325
Itarsi	-	-	-	-
Kanpur	52	0	52	52
Kota				

## Wheat (CBOT) On 22.08.2013(Bushels/Cent)

Contract	Open	High	Low	Close	+/-
Sep-13	640	640.5	629.75	631	-8.25
Dec-13	650	651	640	641	-8.75
Mar-14	662.25	662	652	652	-8.5
May-14	666.75	668	659	660	-7.5
Jul-14	661.75	662.5	655	655	-7.5
Sept-14	670.5	672.75	666	665.75	-7

## Wheat Daily Prices and Arrivals on 23.08.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-8-2013	22-8-2013	
Delhi	Lawrence Road	Mill Delivery	1580	1580	Unch
	Narella	Mill Quality Loose	1545	1530	15
	Nazafgarh	Mill Quality Loose	1515	1515	Unch
Gujarat	Rajkot	Mill Delivery	1640	1640	Unch
	Ahmedabad	Mill Delivery	1725	1705	20
	Surat	Mill Delivery	1735	1730	5
M.P.	Bhopal	Lokwan	1800	1800	Unch
	Indore	Mill Delivery	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1510	1510	Unch
		Mill Delivery	1600	1600	Unch
U.P.	Kanpur	Mill Delivery	1560	1560	Unch
	Mathura	Mill Quality Loose	-	-	-
	Kosi	Mill Quality Loose	1470	1460	10
	Hathras	Mill Quality Loose	1420	1410	10
Punjab	Khanna	Mill Quality Loose	1450	1430	20
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
Haryana	Sirsa	Mill Delivery loose	1470	1470	Unch
	Hodal	Mill Delivery	1580	1570	10
	Karnal	Mill Quality Loose	-	1500	-
	Bhiwani	Mill Quality Loose	1490	1490	Unch
Tamil	Chennai	Mill Quality	1865	1865	Unch

<b>Nadu</b>	Madurai	Mill Quality	1915	1915	<b>Unch</b>
	Coimbatore	Mill Quality	1915	1915	<b>Unch</b>
<b>FOR</b>	Kandla(Rajasthan-Kota)	Mill Quality	1740	1710	<b>30</b>
	Gandhidham(Rajasthan-Kota)	Mill Quality	1740	1710	<b>30</b>
<b>Centre</b>	<b>Market</b>	<b>Variety</b>	<b>Arrivals (Bags/Qtl)</b>		<b>Change</b>
<b>Delhi</b>			<b>23-8-2013</b>	<b>22-8-2013</b>	
	Lawrence Road	Mill Delivery	12000	8000	<b>4000</b>
	Narella	Mill Quality Loose	550	300	<b>250</b>
	Nazafgarh	Mill Quality Loose	300	200	<b>100</b>
<b>Gujarat</b>	Rajkot	Mill Delivery	-	-	-
	Ahmadabad	Mill Delivery	-	-	-
<b>M.P.</b>	Bhopal	Lokwan	-	-	-
	Indore	Mill Delivery	-	-	-
<b>Rajasthan</b>	Kota	Mill Quality	-	-	-
<b>U.P.</b>	Kanpur	Mill Delivery	-	-	-
	Mathura	Mill Quality Loose	-	-	-
	Kosi	Mill Quality Loose	500	50	<b>450</b>
	Hathras	Mill Quality Loose	300	150	<b>150</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	300	300	<b>Unch</b>
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	<b>Unch</b>
	Hodal	Mill Quality Loose	100	50	<b>50</b>
	Panipat	Mill Quality Loose	-	-	-
	Karnal	Mill Quality Loose	-	-	-
	Bhiwani	Mill Quality Loose	200	100	<b>100</b>
<b>Wheat Products Delhi</b>		<b>23-8-2013</b>	<b>22-8-2013</b>	<b>Change</b>	
Atta (50kg) Ordinary		940	940	<b>Unch</b>	
Maida Grade 1 (90kg)		2111	2111	<b>Unch</b>	
Maida Grade 1 (50KG)		1155	1155	<b>Unch</b>	
Suji (50kg)		1180	1180	<b>Unch</b>	
Chokar (50 kg)		608	608	<b>Unch</b>	
Chokar (34 kg)		384	384	<b>Unch</b>	
Chakki Atta (50kg)		985	985	<b>Unch</b>	
Chakki Atta (50kg) Special		985	985	<b>Unch</b>	
Chakki Atta (90kg) Superfine		1816	1816	<b>Unch</b>	
Chakki Atta (50kg) Superfine		990	990	<b>Unch</b>	