

Wheat Domestic Fundamentals:

- Domestic market prices has been trading weak as increased supply from government stock and slack buying from millers has pressurized the market. Despite of expected lower production this year as compared to previous year domestic prices are not expected to rise due to almost no export opportunity and huge carry over stock.
- Cash wheat market reeled under pressure on the back of better prospect of supply side in the months ahead despite seasonal factors. Stock allocation from central pool through OMSS for various consuming states will continue to reign market. Short supply through private channel is likely to be compensated by govt.'s stock and allocations.
- FCI can sell 1 million tonnes of wheat from its godown to small flour mill from any part of the country. This might bring down prices.
- Stocks in private hand are ample for the short term requirements. However, it will start decreasing from mid October and tight supply may occur at October end. It would enhance offtake from central pool stock. In a latest development Madhya Pradesh govt. has exempted state-owned cooperative agencies from purchase tax on wheat purchase.
- Rake loading from Kota to Kottayam continues at Rs 1900/Q, delivered basis. M.P wheat is being supplied for same destination at Rs 1875/Q. Millers from south India is sourcing wheat from Uttar Pradesh at Rs 1800 to Rs 1850 per qtl.
- As on 1st September, wheat stock in central pool was 38.36 million tonnes which is lower than previous year 46.16 million tonne on the same date. Punjab and Haryana hold the maximum wheat stock at 14.48 million tonnes and 9.34 million tonnes respectively.
- As per IBIS data, India exported 1.31 lakh tonnes of wheat in month of August, which is lower than 4.79 lakh tonnes exported in the same month last year. Around 42000 MT was exported to Sudan and 22, 685 MT was exported to UAE.
- Wheat inflation has considerably decreased in August to 7.60% year on year basis from 13.42% in July 2013. Though WPI has decreased marginally 205.3 in August from 206.2 in July 2013.

International Market Update:

- South Korean Millers have bought 80,000 MT of wheat from Cargill of Australian Origin for USD 302-315/MT.
- Unlike domestic market, global wheat markets have improved slightly on the back of increasing possibility of crop loss in Argentina due to dry spell. As per latest weather update there is no chance of rains in next 15teen days there and if dryness persists, considerable crop loss is a visible possibility.
- Besides, some other bullish factors like freight increase for Brazil to China(surge by 0.2% to USD31.008 per tonne and Australia to China voyage increase by 3.8% to USD 13.855 per tonne) may add support to global wheat market. However, any bull run is unlikely due to good crop prospects in other major wheat producing countries.
- In a tender issued by Iraq's state grain buying agency to buy 50000 MT wheat, lowest bid was offered at USD 310.31/MT, CNF for Ukrainian origin wheat. In a tender issued by Tunisia's state grain buying agency to buy optional origin Durum wheat, Tunis bought 25,000 tonnes at USD 352.48/MT CNF, 17000 tonnes at USD 354.80/MT C&F and 17,000 tonnes at USD 356.20/MT, CNF.

Domestic market Outlook: Wheat is likely trade steady.

| NCDEX Wheat Futures | | | | | | | | | |
|---------------------|-----|------|------|------|-------|--------|--------|-------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Oct-13 | 3 | 1541 | 1550 | 1539 | 1545 | 650 | 10 | 4,840 | -170 |
| Nov-13 | 0 | 1569 | 1572 | 1560 | 1563 | 950 | 340 | 1,540 | 420 |
| Dec-13 | 4 | 1581 | 1581 | 1576 | 1580 | 60 | 0 | 850 | 10 |

| Spread | Oct-13 | Nov-13 | Dec-13 | Jan-14 |
|--------|--------|--------|--------|--------|
| Spot | 50 | | | |
| Oct-13 | | 18 | | |
| Nov-13 | | | 17 | |
| Dec-13 | | | | - |

| Stocks | Demat | In-Process | Total | FED |
|--------|------------------|------------------|------------------|------------------|
| | 28.9.2013 | 28.9.2013 | 28.9.2013 | 23.9.2013 |
| Delhi | 10672 | 0 | 10672 | 12871 |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | - | - | - | - |

Wheat (CBOT) On 27.09.2013(Bushels/Cent)

| Contract | Open | High | Low | Close | +/- |
|----------|--------|--------|--------|--------|-------|
| 13-Dec | 678.00 | 685.50 | 675.50 | 683.00 | 4.75 |
| 14-Mar | 687.50 | 694.00 | 685.00 | 691.50 | 3.25 |
| 14-May | 692.00 | 696.50 | 688.25 | 694.25 | 2.00 |
| 14-Jul | 682.75 | 686.50 | 678.75 | 684.25 | 1.00 |
| 14-Sep | 688.00 | 690.00 | 683.50 | 688.50 | 0.50 |
| 14-Dec | 697.50 | 699.50 | 692.75 | 697.00 | -0.25 |

Wheat Daily Prices and Arrivals on 30.09.2013

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|-------------------|---------------------|-----------------|-----------|--------|
| | | | 9/30/2013 | 9/28/2013 | |
| Delhi | Lawrence Road | Mill Delivery | 1595 | 1595 | Unch |
| | Narella | Mill Quality Loose | 1560 | 1565 | -5 |
| | Nazafgarh | Mill Quality Loose | 1550 | 1550 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1630 | 1630 | Unch |
| | Ahmedabad | Mill Delivery | 1700 | 1700 | Unch |
| | Surat | Mill Delivery | 1735 | 1720 | +15 |
| M.P. | Bhopal | Lokwan | 1800 | - | - |
| | Indore | Mill Delivery | 1575 | 1640 | -65 |
| Rajasthan | Kota | Mill Quality Loose | 1500 | 1495 | +5 |
| | | Mill Delivery | 1580 | 1580 | Unch |
| U.P. | Kanpur | Mill Delivery | 1565 | 1565 | Unch |
| | Mathura | Mill Quality Loose | 1465 | 1465 | Unch |
| | Kosi | Mill Quality Loose | 1500 | 1500 | Unch |
| | Hathras | Mill Quality Loose | 1465 | 1435 | +30 |
| Punjab | Khanna | Mill Quality Loose | 1425 | 1425 | Unch |
| | (Ludhiana)Jagraon | Mill Delivery | 1500 | 1500 | Unch |
| Haryana | Sirsa | Mill Delivery loose | 1505 | 1505 | Unch |
| | Hodal | Mill Delivery | 1600 | 1600 | Unch |
| | Karnal | Mill Delivery | 1525 | 1525 | Unch |
| | Bhiwani | Mill Quality Loose | 1570 | 1565 | +5 |

Wheat Daily Report

1st October 2013

| Tamil Nadu | Chennai | Mill Quality | 1865 | 1865 | Unch |
|-------------------|----------------------------|--------------------|----------------------------|------------------|---------------|
| | Madurai | Mill Quality | 1922 | 1922 | Unch |
| | Coimbatore | Mill Quality | 1922 | 1922 | Unch |
| FOR | Kandla(Rajasthan-Kota) | Mill Quality | 1725 | 1725 | Unch |
| | Gandhidham(Rajasthan-Kota) | Mill Quality | 1725 | 1725 | Unch |
| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
| Delhi | | | 9/30/2013 | 9/28/2013 | |
| | Lawrence Road | Mill Delivery | 8000 | 8000 | Unch |
| | Narella | Mill Quality Loose | 300 | 200 | +100 |
| | Nazafgarh | Mill Quality Loose | 300 | 200 | +100 |
| Gujarat | Rajkot | Mill Quality Loose | 1000 | 600 | +400 |
| | Ahmadabad | Mill Delivery | NA | NA | - |
| M.P. | Bhopal | Lokwan | NA | NA | - |
| | Indore | Mill Quality Loose | 2000 | 2000 | Unch |
| Rajasthan | Kota | Mill Quality | 6000 | 5000 | +1000 |
| U.P. | Kanpur | Mill Delivery | 700 | 600 | +100 |
| | Mathura | Mill Quality Loose | 700 | 500 | +200 |
| | Kosi | Mill Quality Loose | 400 | 400 | Unch |
| | Hathras | Mill Quality Loose | 500 | 400 | +100 |
| Punjab | Khanna | Mill Quality Loose | 600 | 300 | +300 |
| Haryana | Sirsa | Mill Quality Loose | 300 | 200 | +100 |
| | Hodal | Mill Quality Loose | 50 | 200 | -150 |
| | Panipat | Mill Quality Loose | NA | NA | - |
| | Karnal | Mill Quality Loose | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 200 | 200 | Unch |

| Wheat Products Delhi | 9/30/2013 | 9/28/2013 | Change |
|------------------------------|------------------|------------------|---------------|
| Atta (50kg) Ordinary | 940 | 940 | Unch |
| Maida Grade 1 (90kg) | 2112 | 2112 | Unch |
| Maida Grade 1 (50KG) | 1155 | 1155 | Unch |
| Suji (50kg) | 1180 | 1180 | Unch |
| Chokar (50 kg) | 608 | 610 | -2 |
| Chokar (34 kg) | 410 | 408 | +2 |
| 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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