

Wheat Domestic Fundamentals:

- New OMSS price applicable from 1st Oct. 2013 for M.P has been revised up from Rs 1414 to Rs 1635 per qtl. Despite hefty increase of 15.62 percent in reserve price traders may opt for buying wheat from FCI stock through tender. Wheat for M.P gets premium over other varieties and local traders will start taking part in auction after mid Oct. FCI has allocated two lakh tonnes of wheat to gauge the market temperament.
- Wheat in local market is available at around Rs 1550/Q. However, traders' interest to buy wheat from government stock at higher price is taking ground now as stock in private hands is shrinking and traders will start getting parity in Malwa region at this price. They can deliver it in south India in between Rs 1850-1900/Q. Lower freight from Malwa region to south Indian destination would make off take viable from Malwa region given the current market scenario and seasonal factors. We expect wheat market to move slightly up from current level as new reserve prices for various states would lend support to cash wheat market to some extent in the weeks ahead.
- With favorable rainfall and weather condition in major wheat producing states India has set 92.5 MMT wheat production target for 2013-14. Government's production target may materialize if temperature and weather remain favorable at various growth stages. Wheat planting is likely to be carried out in 29 million hectares (initial expectation of agriculture ministry) almost same as last year.
- In the latest Tender issued by PSU's for 1.60 lakh tonnes of export, 11 bids were received ranging from USD 250/MT – 267/MT but all below the government export floor price of USD 300/MT. As on 16th September wheat stock in central pool was 37.48 million tonnes.

International Market Update:

- Algeria's state grain buying agency OAIC has bought 50,000 MT of optional origin milling wheat USD 290-291/MT, CNF to be shipped by December 2013, which is likely to be sourced from France.
- In a 50,000 MT wheat tender issued by Bangladesh's state grains buyer agency it has received the lowest offer of USD 297.26/MT, CIF liner out submitted by domestic trading company Ismail Food Products while South Korea's Daewoo International came in second with an offer of USD 302/MT.
- Ukrainian farmers may speed up winter wheat sowing after heavy rains in recent times. As on 7th Oct 3.6 million hectares of winter wheat has been sown, 54% of the forecasted sown area and last year at the same time 5.6 million hectares area was sown.
- Russian winter grain area may be reduced by 3 million hectares in 2014 owing to heavy rains in key growing region to 13 million hectares as compared to 16 million hectares this year; this might reduce Russia wheat output for 2014.

Domestic market Outlook: Wheat is likely trade steady to slightly firm.

NCDEX Wheat Futures									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-13	5	1551	1557	1544	1554	1,170	360	2,240	-380
Nov-13	7	1571	1585	1571	1578	1,260	280	2,650	220
Dec-13	10	1593	1600	1593	1598	310	270	930	90

Spread	Oct-13	Nov-13	Dec-13	Jan-14
Spot	51			
Oct-13		24		
Nov-13			20	
Dec-13				-

Stocks	Demat	In-Process	Total	FED
	09.10.2013	09.10.2013	09.10.2013	07.10.2013
Delhi	8177	0	8177	10157
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-

Wheat (CBOT) On 09.10.2013(Bushels/Cent)

Contract	Open	High	Low	Close	+/-
13-Dec	692.50	694.75	687.00	690.50	-3.00
14-Mar	702.00	704.75	697.25	700.50	-3.00
14-May	707.00	710.00	702.75	705.00	-3.50
14-Jul	700.00	702.25	694.75	698.25	-2.00
14-Sep	704.25	706.50	700.25	703.00	-2.25
14-Dec	714.5	715.00	709.00	712.25	-2.50

Wheat Daily Prices and Arrivals on 10.10.2013

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10/10/2013	10/9/2013	
Delhi	Lawrence Road	Mill Delivery	1600	1610	-10
	Narella	Mill Quality Loose	1550	Closed	-
	Nazafgarh	Mill Quality Loose	1550	Closed	-
Gujarat	Rajkot	Mill Delivery	1680	1680	Unch
	Ahmedabad	Mill Delivery	1680	1680	Unch
	Surat	Mill Delivery	1710	1710	Unch
M.P.	Bhopal	Lokwan	1650	1650	Unch
	Indore	Mill Delivery	1680	1670	10
Rajasthan	Kota	Mill Quality Loose	1500	1485	15
		Mill Delivery	1580	1570	10
U.P.	Kanpur	Mill Delivery	1550	1550	Unch
	Mathura	Mill Quality Loose	1475	1475	Unch
	Kosi	Mill Quality Loose	1500	1500	Unch
	Hathras	Mill Quality Loose	1450	1460	-10
Punjab	Khanna	Mill Quality Loose	1425	1410	15
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
Haryana	Sirsa	Mill Delivery loose	1500	1505	-5
	Hodal	Mill Delivery	1630	1630	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1540	1540	Unch
Tamil	Chennai	Mill Quality	1875	1875	Unch

Wheat Daily Report

11th October 2013

Nadu	Madurai	Mill Quality	1932	1932	Unch
	Coimbatore	Mill Quality	1932	1932	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1700	1740	-40
	Gandhidham(Rajasthan-Kota)	Mill Quality	1700	1740	-40

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10/10/2013	10/9/2013	
Delhi					
	Lawrence Road	Mill Delivery	8000	6000	2000
	Narella	Mill Quality Loose		Closed	
	Nazafgarh	Mill Quality Loose	200	Closed	-
Gujarat	Rajkot	Mill Quality Loose	200	100	100
	Ahmadabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	5000	7000	-2000
U.P.	Kanpur	Mill Delivery	500	500	Unch
	Mathura	Mill Quality Loose	350	450	-100
	Kosi	Mill Quality Loose	200	500	-300
	Hathras	Mill Quality Loose	250	500	-250
Punjab	Khanna	Mill Quality Loose	300	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	200	200	Unch

Wheat Products Delhi	10/10/2013	10/9/2013	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)	633	628	5
Chokar (34 kg)	422	419	3
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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