

Wheat Domestic Fundamentals:

- **Wheat cash market trades under pressure on the back of ample supply.** Market participants expect more slide in the range of Rs 15 to Rs 25 per qtl. in the weeks ahead. Rake loading from Rajasthan, Uttar Pradesh and Bihar continues for south Indian market in the range of Rs 1800 to Rs 1870 per qtl. on delivered basis. As off now, 63 rakes have been loaded by private trades for south India in the season starting from 1st April from various states.
- **Food Corporation of India (FCI), along with state level agencies, has purchased 26.22 million tonne** of wheat till date, up 6.75 per cent from last year's corresponding purchase of 24.56 million tonne. Arrivals in various mandis have decreased considerably and total procurement may end up at 28/29 million tonne against the target of 31 million tonne set before the start of the season.
- **Punjab has contributed 11.33 million tonne of wheat so far, up 4.7 per cent from 10.82 million tonne** last year. Madhya Pradesh is the second highest contributor to procurement. Purchases from the state rose 7.67 per cent to 6.59 million tonnes. Procurement in Haryana was 6.45 million tonne, up 10 per cent.
- **Wheat stock in central pool was registered at 418.68 lakh tonne as on 16th May.** It is lower from 427.30 lakh tonne from May 2013. However, by the end of the month the difference is expected to decrease despite withered arrivals in various mandis.
- **There is a report from Uttar Pradesh that almost 3 percent wheat is infected** with Karan Bunt and one percent from blackoppers. However, overall grain quality is good. Harvesting is almost over. Recent rains have impacted threshing activities in some area.
- **Farmers this year have retained 10 percent more crop in anticipation of** higher realization in lean season and continuation of export. Govt procurement may touch 28 million tonne as UP. would contribute more now.
- **According to IBIS (provisional data), export of wheat in the month of April** was 4.27 Lakh tones which is around 48% less than last year at the same month, which was 8.32 Lakh tones in April 2013.

International Market Update:

- Argentina's wheat area will expand to more than 4 million hectares this year from 3.6 million in the previous year due to good showing condition, need for crop rotation and high prices due to political crises in Ukraine. Ukraine and Argentina are both significant wheat producers. The price of Argentine wheat at port for export is currently \$370 per tonne, up from \$270 a year ago. U.S. wheat will be hitting in the market from July onward and then Black Sea Region followed by Argentina in December and January, so if there is any damage reported meanwhile overall sentiments will be bearish.
- **European Union and U.S. might not put sanctions on Russia** grain trade as it would not affect Russia so much as its importers. Putting sanctions on Russia means the wheat importing countries have to import wheat from other countries which is going to cost them more. Russia, Ukraine and Kazakhstan are main wheat exporters from Black Sea region to Egypt, Turkey, Yemen and Iran.

Domestic market Outlook:

Cash wheat market is likely to trade steady to slightly weak on ample supply side.

NCDEX Wheat Futures								Date:23:05:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	3	1543	1545	1541	1545	710	-2,860	11,870	50
July-14	6	1570	1576	1570	1576	1,090	-1,700	6,340	510
Aug-14	2	1597	1602	1596	1602	350	120	1,020	30

Spread	Mar-14	Apr-14	May-14	June-14
Spot	-10			
Jun-14		31		
July-14			26	
Aug-14				-

Stocks	Demat	In- Process	Total	FED
	22.5.2014	22.5.2014	22.5.2014	19.5.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	2395	0	2395	2198
Rajkot	-	-	-	-

Wheat (CBOT) On 22.5.2014(Bushels/Cent)

Contract	Open	High	Low	Close	+/-
14-Jul	665.50	669.75	654.00	659.25	-5
14-Sep	676.00	680.50	664.75	670.00	-5
14-Dec	692.50	698.50	682.75	688.25	-4
15-Mar	709.75	713.50	699.75	705.25	-3.5
15-May	719.25	720.75	711.00	712.75	-4
15-Jul	720	724.25	709.00	715.25	-3.5

Wheat Daily Prices and Arrivals on 23.5.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5/23/2014	5/22/2014	
New Delhi					
	Lawrence Road	Mill Delivery	1535	1540	-5
	Narella	Mill Quality(Loose)	1500	1500	Unch
	Nazafgarh	Mill Quality(Loose)	1500	1510	-10
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1645	1640	5
	Surat	Mill Delivery	1660	1665	-5
Madhya Pradesh	Bhopal	Lokwan	1700	1700	Unch
	Indore	Mill Delivery	1550	1550	Unch
Rajasthan	Kota	Mill Quality(Loose)	1450	1475	-25
		Mill Delivery	1525	1530	-5
Uttar Pradesh	Kanpur	Mill Delivery	1535	1535	Unch
	Mathura	Mill Quality(Loose)	1430	1450	-20
	Kosi	Mill Quality(Loose)	1450	1470	-20

	Hathras	Mill Quality(Loose)	1410	NA	-
	Aligarh	Mill Quality(Loose)	1410	1420	-10
	Moradabad	Mill Quality(Loose)	1372	1370	2
Punjab	Khanna	Mill Quality(Loose)	1410	1410	Unch
	(Ludhiana)Jagraon	Mill Delivery	1520	1520	Unch
Haryana	Sirsa	Mill Quality(Loose)	1400	1400	Unch
	Hodal	Mill Delivery	1525	1525	Unch
	Bhiwani	Mill Quality(Loose)	1470	1470	Unch
	Karnal	Mill Quality(Loose)	1400	1400	Unch
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1800	1875	-75
	Madurai	Mill Quality(Loose)	1857	1932	-75
	Coimbatore	Mill Quality(Loose)	1857	1932	-75
Bihar	Sitamari	Mill Delivery	NA	NA	-
	Khagariya	Mill Delivery	1550	1550	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1650	1625	25
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1650	1625	25

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
New Delhi			5/23/2014	5/22/2014	
	Lawrence Road	Mill Delivery	10000	10000	Unch
	Narella	Mill Quality(Loose)	1200	1000	200
	Nazafgarh	Mill Quality(Loose)	500	500	Unch
Gujarat	Rajkot	Mill Quality(Loose)	3500	3000	500
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	2500	2500	Unch
Rajasthan	Kota	Mill Quality(Loose)	15000	35000	-20000
Uttar Pradesh	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	3000	3000	Unch
	Kosi	Mill Quality(Loose)	3000	3000	Unch
	Hathras	Mill Quality(Loose)	1000	NA	-
	Aligarh	Mill Quality(Loose)	1000	1000	Unch
	Moradabad	Mill Quality(Loose)	5000	5000	Unch
Punjab	Khanna	Mill Quality(Loose)	13000	13000	Unch
	(Ludhiana)Jagraon	Mill Quality(Loose)	2000	2000	Unch
Haryana	Sirsa	Mill Quality(Loose)	1000	2000	-1000
	Hodal	Mill Quality(Loose)	300	300	Unch
	Bhiwani	Mill Quality(Loose)	1000	1000	Unch

	Karnal	Mill Quality(Loose)	2000	2500	-500
	Panipat	Mill Quality(Loose)	NA	NA	-

Wheat Products Delhi	5/23/2014	5/22/2014	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)	686	686	Unch
Chokar (34 kg)	439	439	Unch
Chakki Atta (50kg)	965	965	Unch
Chakki Atta (50kg) Special	965	965	Unch
Chakki Atta (90kg) Superfine	1800	1800	Unch
Chakki Atta (50kg) Superfine	970	970	Unch

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