

## Wheat Domestic Fundamentals:

- Wheat physical markets traded lower on Monday amid sluggish trading activities due to rains in north India. Supply side remains at ease against normal demand. Market participants expect more dip in the coming days. Rake loading for south India from Rajasthan continues. Mill delivery prices for south India are hovering in the range of Rs 1765 to Rs 1820 per qtl., depending upon quality and destination of wheat.
- Wheat FAQ variety is being quoted at Rs 1530 per qtl. in Delhi. Prices have decreased by Rs 25 per qtl. in a week time. Agriwatch expects market to stabilize near Rs 1500 to Rs 1510 per qtl. in a couple of week.
- Export demand for Indian wheat is expected to remain subdued as buyers are well aware of bearish global market fundamentals in the short and medium term. Supply side is expected to be higher than normal global demand.
- Agriculture Ministry in its third advance estimate for the crop year 2013-14 (July-June) has estimated the wheat production at record level of 958.5 lakh tonnes. In 2012-13 crop year, output stood at 935.10 lakh tonnes.
- Wheat procurement has crossed 26.68 million tonne against 25 million tonne last year. Govt. had fixed procurement target for 2014-15 at 31 million tonne. Target is unlikely to be met as arrival pressure has decreased considerably. Procurement may end up with 28/29 million tonne this year.
- As on May 22, the procurement in Punjab so far is at 114.38 lakh tonnes, 5.45% higher than the last year's level of 108.46 lakh tonnes at the same time. Similarly in Haryana, procurement has rose to 64.73 lakh tonnes as compare to 58.70 lakh tonnes at the same time during marketing year 2013-14.
- Procurement in Madhya Pradesh and Rajasthan has also increased to 68.06 lakh tonnes and 16.26 lakh tonnes respectively so far from 62.06 lakh tonnes and 11.80 lakh tonnes at same time last year. However, in Uttar Pradesh procurement has decreased to 3.17 lakh tonnes so far, as compared to 6.60 lakh tonnes last year.

## International Market Update:

- Crop from Black Sea Region, Russia-Ukraine is due in July. Recent rains in US wheat growing belt have improved the production prospects. The droughty southern Plains (US) received much needed rainfall before the weekend, which could significantly boost winter wheat harvest prospects. Discouraging export demand for US wheat signals weak global market fundamentals.
- Besides, Argentine wheat sowing expectations growing, with the farm ministry pegging area at 4.5m hectares, above a forecast from the Buenos Aires grains exchange. From October onward Australian crop would start hitting the market. All these factors signify plenty of supply in the medium term.
- 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.

## Domestic market Outlook:

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

NCDEX Wheat Futures							Date:26:05:2014		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	-7	3920	3949	3888	3913	40580	-	166310	-
July-14	-9	4012	4044	3983	4003	20900	-	140340	-
Aug-14	-8	4090	4115	4061	4075	-4150	-	24500	-

Spread	May-14	june-14	july-14	Aug-14
Spot	38			
Jun-14		90		
July-14			72	
Aug-14				95

Stocks	Demat	In- Process	Total	FED
	24.5.2014	24.5.2014	24.5.2014	19.5.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	2395	0	2395	2198
Rajkot	-	-	-	-

## Wheat (CBOT) Future:

CBOT Futures Prices: Date: 23.05.14 (USD/T)							
CONTRACT MONTH	23 May 14	Week ago (16 May 2014)	1 Month ago(21 Apr 14)	3 Month ago(20 Feb 14)	6 Month ago(20 Nov 13)	1 Year ago(20 May 13)	% Change over previous year
14-May	239.73	247.72	248.18	226.41	240.56	270.04	-11.22
14-Jul	243.86	251.03	251.67	229.99	243.31	271.60	-10.21
14-Sept	250.66	256.72	256.54	234.49	247.44	275.00	-8.85
14-Dec	256.90	262.14	261.31	237.80	249.28	277.11	-7.29
15-Mar	259.94	264.62	262.14	237.98	249.65	278.03	-6.51
15-May	261.04	264.16	256.63	234.95	247.44	273.71	-4.63

## Wheat Daily Prices and Arrivals on 26.5.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			26-May-14	24-May-14	
	Lawrence Road	Mill Delivery	1530	1530	Unch
	Narella	Mill Quality Loose	1500	1520	-20
	Nazafgarh	Mill Quality Loose	1500	1490	10
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch

	Ahmedabad	Mill Delivery	1635	1645	-10
	Surat	Mill Delivery	1650	1660	-10
M.P.	Bhopal	Lokwan	1650	1700	-50
	Indore	Mill Delivery	1545	1545	Unch
Rajasthan	Kota	Mill Quality Loose	1450	1450	Unch
		Mill Delivery	1525	1515	10
U.P.	Kanpur	Mill Delivery	1525	1535	-10
	Mathura	Mill Quality Loose	1435	1430	5
	Kosi	Mill Quality Loose	1445	1440	5
	Hathras	Mill Quality Loose	1425	NR	-
	Aligarh	Mill Quality Loose	NR	1410	-
Punjab	Khanna	Mill Quality Loose	1410	1410	Unch
	(Ludhiana)Jagraon	Mill Delivery	1500	1520	-20
Haryana	Sirsa	Mill Delivery loose	1400	1400	Unch
	Hodal	Mill Delivery	1520	1520	Unch
	Karnal	Mill Quality Loose	1400	1400	Unch
	Bhiwani	Mill Quality Loose	1530	1540	-10
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1800	1800	Unch
	Madurai	Mill Quality	1857	1857	Unch
	Coimbatore	Mill Quality	1857	1857	Unch
Bihar	Sitamari	Mill Delivery	NA	NA	-
	Khagariya	Mill Delivery	1550	1550	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1650	1700	-50
	Gandhidham(Rajasthan-Kota)	Mill Quality	1650	1700	-50

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-May-14	24-May-14	
Delhi	Lawrence Road	Mill Delivery	9000	10000	-1000
	Narella	Mill Quality Loose	1200	1000	200
	Nazafgarh	Mill Quality Loose	400	1000	-600
Gujarat	Rajkot	Mill Quality Loose	2500	3000	-500
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	3500	4000	-500
Rajasthan	Kota	Mill Quality	10000	10000	Unch
U.P.	Kanpur	Mill Quality Loose	800	1000	-200
	Mathura	Mill Quality Loose	2000	2500	-500
	Kosi	Mill Quality Loose	1000	1000	Unch

## Wheat Daily Report

27<sup>th</sup> May 2014

	Hathras	Mill Quality Loose	800	NA	-
	Aligarh	Mill Quality Loose	NR	1000	-
<b>Punjab</b>	Khanna	Mill Quality Loose	15000	13000	2000
	(Ludhiana)Jagraon	Mill Quality Loose	1000	2000	-1000
<b>Haryana</b>	Sirsa	Mill Quality Loose	500	1000	-500
	Hodal	Mill Quality Loose	200	200	Unch
	Karnal	Mill Quality Loose	1800	1800	Unch
	Bhiwani	Mill Quality Loose	1400	1400	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	26-May-14	24-May-14	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)	422	439	-17
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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