

Wheat Domestic Fundamentals:

- Wheat cash market seems under pressure as supply side remains balanced. Global wheat market too remains un-supportive to the cash market fundamentals. Wheat (milling grade) price in Delhi extended its loss and more dip is expected in the weeks ahead. Rake loading from Rajasthan to Kottam continues at Rs 1900 per quintal. For Bangalore delivered price has been quoted at 1880 per quintal. Export through private trade continues. However, July onward volume may decrease due to higher domestic price. Traders expect market to move up in July and global market would dip from current level.
- Export of wheat from India may decline for the month of July and August as FoB offered at that time is less competitive than the Black Sea region. Russia is offering USD 290-295/tonnes of wheat as compares with a price of \$305 being quoted for Indian wheat and around \$320 to \$330 a tonne offered for U.S and Australia for the same period of time. Generally wheat domestic market prices increase from July onwards due to starting of the lean season.
- 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.

International Market Update:

- Philippines animal feed makers have purchased 105,650 tonnes of feed wheat at USD 266.75/tonne (c&f) for July/August shipment. The wheat may be sourced from the Black Sea region or European Union as FoB prices will be more competitive from other exporting countries.
- Indonesia has bought around 125000 tonnes of wheat from Russia at USD 290-295/tonne (c&f) for shipment between mid-July and mid-August. That compares with a price of \$305 being quoted for Indian wheat and around \$320 to \$330 a tonne offered for U.S and Australia for the same period of time. As FoB quotes of Russia remains competitive than other major wheat exporting countries many more deals are expected to be made.
- 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.

Domestic market Outlook:

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

NCDEX Wheat Futures								Date:28:05:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	2	1539	1545	1532	1541	1,370	-260	11,060	-90
July-14	3	1566	1571	1559	1570	1,020	-570	6,770	250
Aug-14	-4	1592	1595	1590	1595	160	-60	1,120	80

Spread	May-14	june-14	july-14	Aug-14
Spot	-11			
Jun-14		29		
July-14			25	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	27.5.2014	27.5.2014	27.5.2014	26.5.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	2395	100	2495	2395
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 27.05.14 (USD/T)							
CONTRACT MONTH	27 May 14	Week ago (21 May 2014)	1 Month ago(28 Apr 14)	3 Month ago(28 Feb 14)	6 Month ago(27 Nov 13)	1 Year ago(28 May 13)	% Change over previous year
14-May	235.50	236.70	260.30	223.47	244.14	273.25	-13.82
14-Jul	239.91	248.09	263.33	226.50	246.98	274.72	-12.67
14-Sept	247.08	254.33	268.29	231.09	250.66	277.11	-10.84
14-Dec	253.32	260.39	272.70	234.68	252.77	259.48	-2.37
15-Mar	256.26	263.33	274.36	236.33	252.77	280.23	-8.55
15-May	257.09	264.07	269.12	234.13	250.66	279.32	-7.96

Wheat Daily Prices and Arrivals on 28.5.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
New Delhi			5/28/2014	5/27/2014	
	Lawrence Road	Mill Delivery	1530	1528	2
	Narella	Mill Quality(Loose)	Closed	1495	-
	Nazafgarh	Mill Quality(Loose)	Closed	1475	-
Gujarat	Rajkot	Mill Delivery	Closed	1600	-

	Ahmedabad	Mill Delivery	Closed	1640	-
	Surat	Mill Delivery	Closed	1660	-
Madhya Pradesh	Bhopal	Lokwan	Closed	1625	-
	Indore	Mill Delivery	Closed	1575	-
Rajasthan	Kota	Mill Quality(Loose)	Closed	1450	-
		Mill Delivery	Closed	1510	-
Uttar Pradesh	Kanpur	Mill Delivery	1525	1525	Unch
	Mathura	Mill Quality(Loose)	1450	1450	Unch
	Kosi	Mill Quality(Loose)	1450	1450	Unch
	Hathras	Mill Quality(Loose)	1400	1425	-25
	Aligarh	Mill Quality(Loose)	Closed	1410	-
Punjab	Khanna	Mill Quality(Loose)	1410	1410	Unch
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
Haryana	Sirsa	Mill Quality(Loose)	1400	1400	Unch
	Hodal	Mill Delivery	1520	1520	Unch
	Bhiwani	Mill Quality(Loose)	1425	1450	-25
	Karnal	Mill Quality(Loose)	1390	1400	-10
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	Closed	1825	-
	Madurai	Mill Quality(Loose)	Closed	1882	-
	Coimbatore	Mill Quality(Loose)	Closed	1882	-
Bihar	Sitamari	Mill Delivery	1670	1670	Unch
	Khagariya	Mill Delivery	1500	1500	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	Closed	1650	-
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	Closed	1650	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5/28/2014	5/27/2014	
New Delhi	Lawrence Road	Mill Delivery	10000	8000	2000
	Narella	Mill Quality(Loose)	Closed	1000	-
	Nazafgarh	Mill Quality(Loose)	Closed	400	-
Gujarat	Rajkot	Mill Quality(Loose)	Closed	2500	-
	Ahmedabad	Mill Delivery	Closed	NA	-
Madhya Pradesh	Bhopal	Lokwan	Closed	NA	-
	Indore	Mill Quality(Loose)	Closed	4000	-
Rajasthan	Kota	Mill Quality(Loose)	Closed	12000	-
Uttar Pradesh	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	3000	3000	Unch
	Kosi	Mill Quality(Loose)	2000	2000	Unch

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	Hathras	Mill Quality(Loose)	350	800	-450
	Aligarh	Mill Quality(Loose)	Closed	800	-
Punjab	Khanna	Mill Quality(Loose)	13000	12000	1000
	(Ludhiana)Jagraon	Mill Quality(Loose)	2000	1000	1000
Haryana	Sirsa	Mill Quality(Loose)	500	1000	-500
	Hodal	Mill Quality(Loose)	200	200	Unch
	Bhiwani	Mill Quality(Loose)	900	600	300
	Karnal	Mill Quality(Loose)	1000	1200	-200
	Panipat	Mill Quality(Loose)	NA	NA	-

Wheat Products Delhi		5/28/2014	5/27/2014	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)		422	422	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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