AGRIWATCH

Wheat Daily Report
31th May 2014

Wheat Domestic Fundamentals:

- Downward movement on CBOT continues to pressurize Indian wheat export, CBOT July contract is now hovering at USD 234 and market observers expect more dip in the near term. Nearby month on CBOT shows its first resistance at USD 217.At present USA Fob is at USD 255-265/tonne and Indian Fob at USD 280-285/tonne and if the difference continue to widen opportunity for Indian wheat in global market would turn blemish. Besides, Indian wheat price starts firming up July onward and it is termed as negative for Indian wheat exporters.Black Sea Region Crop too is due in July,followed by Australian wheat in Oct.All these factors denote bearish outlook.
- 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.

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:29:05:2014
Contract	**+/-**	**Open**	**High**	**Low**	**Close**	**Volume**	**Change**	**OI**	**Change**
Jun-14	-8	1546	1546	1535	1535	2,090	720	9,960	-1,100
July-14	-9	1567	1570	1561	1561	1,440	420	7,170	400
Aug-14	-10	1589	1597	1586	1588	710	550	1,210	90

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Spread	May-14	june-14	july-14	Aug-14
Spot	-10			
Jun-14		26		
July-14			27	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	29.5.2014	29.5.2014	29.5.2014	26.5.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3953	1102	5055	2395
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 29.05.14 (USD/T)							
CONTRACT MONTH	29 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	232.38	236.70	260.30	223.47	244.14	273.25	-14.96
14-Jul	236.79	248.09	263.33	226.50	246.98	274.72	-13.81
14-Sept	243.86	254.33	268.29	231.09	250.66	277.11	-12.00
14-Dec	249.74	260.39	272.70	234.68	252.77	259.48	-3.75
15-Mar	252.86	263.33	274.36	236.33	217.50	280.23	-9.77
15-May	254.06	264.07	269.12	234.13	250.66	279.32	-9.04

Wheat Daily Prices and Arrivals on 30.5.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5/30/2014	5/29/2014	
New Delhi	Lawrence Road	Mill Delivery	1525	1530	-5
	Narella	Mill Quality(Loose)	1520	1515	5
	Nazafgarh	Mill Quality(Loose)	1475	1475	Unch
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch

	Ahmedabad	Mill Delivery	1650	1650	Unch
	Surat	Mill Delivery	1670	1670	Unch
Madhya Pradesh	Bhopal	Lokwan	1650	1650	Unch
	Indore	Mill Delivery	1540	1550	-10
Rajasthan	Kota	Mill Quality(Loose)	1450	1465	-15
		Mill Delivery	1530	1535	-5
Uttar Pradesh	Kanpur	Mill Delivery	1515	1515	Unch
	Mathura	Mill Quality(Loose)	1460	1450	10
	Kosi	Mill Quality(Loose)	1450	1450	Unch
	Hathras	Mill Quality(Loose)	NR	NR	-
	Aligarh	Mill Quality(Loose)	1400	1400	Unch
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)	1420	1420	Unch
	Karnal	Mill Quality(Loose)	1400	1390	10
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1825	1830	-5
	Madurai	Mill Quality(Loose)	1882	1887	-5
	Coimbatore	Mill Quality(Loose)	1882	1887	-5
Bihar	Sitamari	Mill Delivery	1610	1610	Unch
	Khagariya	Mill Delivery	1550	1500	50
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1615	1615	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1615	1615	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5/30/2014	5/29/2014	
New Delhi	Lawrence Road	Mill Delivery	15000	10000	5000
	Narella	Mill Quality(Loose)	1500	1500	Unch
	Nazafgarh	Mill Quality(Loose)	500	500	Unch
Gujarat	Rajkot	Mill Quality(Loose)	2000	3000	-1000
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	2000	5000	-3000
Rajasthan	Kota	Mill Quality(Loose)	9000	8000	1000
Uttar Pradesh	Kanpur	Mill Quality(Loose)	800	900	-100
	Mathura	Mill Quality(Loose)	3000	3000	Unch
	Kosi	Mill Quality(Loose)	1000	2000	-1000

	Hathras	Mill Quality(Loose)	NR	NR	-
	Aligarh	Mill Quality(Loose)	1000	1000	Unch
Punjab	Khanna	Mill Quality(Loose)	12000	13000	-1000
	(Ludhiana)Jagraon	Mill Quality(Loose)	2000	2000	Unch
Haryana	Sirsa	Mill Quality(Loose)	400	500	-100
	Hodal	Mill Quality(Loose)	200	100	100
	Bhiwani	Mill Quality(Loose)	600	600	Unch
	Karnal	Mill Quality(Loose)	1200	1000	200
	Panipat	Mill Quality(Loose)	NA	NA	-

Wheat Products Delhi	5/30/2014	5/29/2014	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