

Wheat Daily Report

02nd June 2014

Wheat Domestic Fundamentals:

- With decreasing CBOT futures and restricted demand from importing countries amid ample supply in local market prices of wheat in domestic market remain under pressure. FOR Kandla decreases slightly from Rs 1630 to Rs 1620 per qtl. in last three days. However, any steep dip from current level is unlikely. Wheat cash market may trade steady to slightly weak in the first week of June.
- 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 unsupportive 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.
- 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.

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:29:05:201						29:05:2014			
Contract	+/-	Open	High	Low	Close	Volum e	Change	OI	Change
Jun-14	-	-	-	-	-	-	-	-	-
July-14	-	-	-	-	-	-	-	-	-
Aug-14	-	-	-	-	-	-	-	-	-



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Spread	May-14	june- 14	july-14	Aug-14
Spot				
Jun-14				
July-14				
Α11σ-14				

Stocks	Demat	In- Process	Total	FED
	30.5.2014	30.5.2014	30.5.2014	26.5.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3953	1354	5307	2395
Rajkot	-	-	-	-

Wheat (CBOT) Future:

	CBOT Futures Prices: Date: 30.05.14 (USD/T)							
CONTRACT MONTH	30 May 14	Week ago (23 May 2014)	1 Month ago(01 May 14)	3 Month ago(03 Mar 14)	6 Month ago(02 Dec 13)	1 Year ago(03 June 13)	% Change over previous year	
14-May	230.45	239.73	259.84	233.57	243.77	280.97	-17.98	
14-Jul	235.04	243.86	263.06	236.33	246.53	283.54	-17.10	
14-Sept	242.67	250.66	268.11	240.74	250.20	286.02	-15.16	
14-Dec	248.82	256.90	2844.32	243.40	252.40	288.32	-13.70	
15-Mar	252.04	259.94	274.54	244.23	252.13	289.24	-12.86	
15-May	253.87	261.04	270.13	241.29	256.17	279.32	-9.11	

Wheat Daily Prices and Arrivals on 31.5.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-May-14	30-May-14	
Delhi	Lawrence Road	Mill Delivery	1520	1525	-5
Demi	Narella	Mill Quality Loose	1485	1520	-35
	Nazafgarh	Mill Quality Loose	1475	1475	Unch
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch



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	Ahmedabad	Mill Delivery	1650	1650	Unch
	Surat	Mill Delivery	1665	1670	-5
M.P.	Bhopal	Lokwan	1600	1650	-50
M.P.	Indore	Mill Delivery	1525	1540	-15
Rajasthan	Kota	Mill Quality Loose	1435	1450	-15
Kajastiiaii	Rota	Mill Delivery	1525	1530	-5
	Kanpur	Mill Delivery	1515	1515	Unch
	Mathura	Mill Quality Loose	1450	1460	-10
U.P.	Kosi	Mill Quality Loose	1450	1450	1650 -50 1540 -15 1450 -15 1530 -5 1515 Unch 1460 -10
	Hathras	Mill Quality Loose	1400	NR	-
	Aligarh	Mill Quality Loose	1400	1400	Unch
Punjab	Khanna	Mill Quality Loose	1410	1410	Unch
Pulljab	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
	Sirsa	Mill Delivery loose	1405	1400	5
	Hodal	Mill Delivery	1520	1520	Unch
Haryana	Karnal	Mill Quality Loose	1400	1420	-20
	Bhiwani	Mill Quality Loose	1490	1490	Unch
	Panipat	Mill Quality Loose	NA	NA	-
- · · ·	Chennai	Mill Quality	1825	1825	Unch
Tamil Nadu	Madurai	Mill Quality	1882	1882	Unch
11444	Coimbatore	Mill Quality	1882	1882	Unch
Bihar	Sitamari	Mill Delivery	NA	1610	-
Binar	Khagariya	Mill Delivery	1550	1550	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1610	1615	-5
FUK	Gandhidham(Rajasthan-Kota)	Mill Quality	1610	1615	-5

Centre	Market	Variety	Arrivals ((Bags/Qtl)	Change
			31-May-14	30-May-14	
Delhi	Lawrence Road	Mill Delivery	12000	15000	-3000
Dellii	Narella	Mill Quality Loose	500	1500	-1000
	Nazafgarh	Mill Quality Loose	1000	500	500
Gujarat	Rajkot	Mill Quality Loose	2000	2000	Unch
Gujarat	Ahmedabad	Mill Delivery	NA	NA	•
M.P.	Bhopal	Lokwan	NA	NA	ı
WI.F.	Indore	Mill Quality Loose	4000	2000	2000
Rajasthan	Kota	Mill Quality	8000	9000	-1000
U.P.	Kanpur	Mill Quality Loose	800	800	Unch
	Mathura	Mill Quality Loose	3000	3000	Unch
	Kosi	Mill Quality Loose	1000	1000	Unch



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	Hathras	Mill Quality Loose	500	NR	· •
	Aligarh	Mill Quality Loose	700	1000	-300
Punjab	Khanna	Mill Quality Loose	12000	12000	Unch
Fulljab	(Ludhiana)Jagraon	Mill Quality Loose	2000	2000	Unch
	Sirsa	Mill Quality Loose	500	400	100
	Hodal	Mill Quality Loose	200	200	Unch
Haryana	Karnal	Mill Quality Loose	800	600	200
	Bhiwani	Mill Quality Loose	1400	1200	200
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	31-May-14	30-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	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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