

Wheat Domestic Fundamentals:

- Private buyers are engaged in restricted buying and supply continues only to needy private millers. Export demand too is not very encouraging at this point of time as higher global production estimates from various reputed agencies make global wheat price outlook bearish in the weeks ahead.
- Black Sea Region crop is due in July, followed by Australia in October. Demand from major importers is likely to remain steady. Besides, bumper corn production estimate also remain price limiting factors for wheat as both the commodities are used for animal feed at large scale.
- 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 1610 per qtl. in last few 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 (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.

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:02:06:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	-19	1534	1534	1512	1518	2,050	-40	9,530	-430
July-14	-24	1556	1557	1542	1543	2,860	1,420	7,340	170
Aug-14	-29	1585	1585	1560	1564	970	260	1,700	490

Spread	May-14	june-14	july-14	Aug-14
Spot	-8			
Jun-14		25		
July-14			21	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	31.5.2014	31.5.2014	31.5.2014	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 2.6.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
New Delhi			6/2/2014	5/31/2014	
	Lawrence Road	Mill Delivery	1510	1520	-10
	Narella	Mill Quality(Loose)	1485	1485	Unch
	Nazafgarh	Mill Quality(Loose)	1475	1475	Unch
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch

	Ahmedabad	Mill Delivery	1650	1650	Unch
	Surat	Mill Delivery	1665	1665	Unch
Madhya Pradesh	Bhopal	Lokwan	1600	1600	Unch
	Indore	Mill Delivery	1520	1525	-5
Rajasthan	Kota	Mill Quality(Loose)	1450	1435	15
		Mill Delivery	1525	1525	Unch
Uttar Pradesh	Kanpur	Mill Delivery	1515	1515	Unch
	Mathura	Mill Quality(Loose)	1450	1450	Unch
	Kosi	Mill Quality(Loose)	1400	1420	-20
	Hathras	Mill Quality(Loose)	NA	1400	-
	Aligarh	Mill Quality(Loose)	1380	1400	-20
Punjab	Khanna	Mill Quality(Loose)	1410	1410	Unch
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
Haryana	Sirsa	Mill Quality(Loose)	1400	1405	-5
	Hodal	Mill Delivery	1520	1520	Unch
	Bhiwani	Mill Quality(Loose)	1400	1425	-25
	Karnal	Mill Quality(Loose)	1390	1400	-10
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1800	1825	-25
	Madurai	Mill Quality(Loose)	1857	1882	-25
	Coimbatore	Mill Quality(Loose)	1857	1882	-25
Bihar	Sitamari	Mill Delivery	NA	Closed	-
	Khagariya	Mill Delivery	1530	1550	-20
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1625	1610	15
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1625	1610	15

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
New Delhi			6/2/2014	5/31/2014	
	Lawrence Road	Mill Delivery	7000	12000	-5000
	Narella	Mill Quality(Loose)	1000	500	500
	Nazafgarh	Mill Quality(Loose)	400	1000	-600
Gujarat	Rajkot	Mill Quality(Loose)	2000	2000	Unch
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	4000	4000	Unch
Rajasthan	Kota	Mill Quality(Loose)	10000	8000	2000
Uttar Pradesh	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	3000	3000	Unch
	Kosi	Mill Quality(Loose)	1000	1000	Unch

	Hathras	Mill Quality(Loose)	NA	500	-
	Aligarh	Mill Quality(Loose)	2500	700	1800
Punjab	Khanna	Mill Quality(Loose)	13000	12000	1000
	(Ludhiana)Jagraon	Mill Quality(Loose)	2000	2000	Unch
Haryana	Sirsa	Mill Quality(Loose)	500	500	Unch
	Hodal	Mill Quality(Loose)	200	200	Unch
	Bhiwani	Mill Quality(Loose)	700	700	Unch
	Karnal	Mill Quality(Loose)	500	800	-300
	Panipat	Mill Quality(Loose)	NA	NA	-

Wheat Products Delhi	6/2/2014	5/31/2014	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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